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REPORT
OF
MESSRS. WRIGHT AND BUCKALEW,
COMMISSIONERS TO INVESTIGATE THE AFFAIRS
OF THE
BANK OF SUSQUEHANNA COUNTY.

WITH ACCOMPANYING DOCUMENTS.



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REPORT.

To the Honorable the Senate and House of Representatives of the Commonwealth of Pennsylvania :

The commissioners to investigate the affairs of the Bank of Susquehanna County, report :—

That they have discharged their duties prescribed in the act appointing them, and transmit herewith the parol and documentary evidence elicited by the investigation. In order to report accurately the causes of the failure of the bank, a statement of its organization and general management becomes necessary, and, in fact, appears to be contemplated in the act authorizing the investigation.

The Bank of Susquehanna County was incorporated by act of Assembly, passed 3d April, 1837 (P. Laws, 1837, p. 280), the capital stock to be one hundred thousand dollars, divided into two thousand shares of fifty dollars each. The capital stock was sold by commissioners upon the first day of September, of the same year. The bank went into actual operation on the 18th December, 1838, and continued to do business until January, 1843, when it suspended. It was resuscitated, and resumed operations 9th April, 1845, and it finally failed 27th October, 1849. James C. Biddle served as President of the bank from its organization until his death, in April, 1841, when William L. Post was elected, who continued President until the final failure in 1849. Isaac S. Kellum served as cashier until 21st June, 1843. There was then no cashier until 9th April, 1845, when Thomas P. St. John was elected. He served until 4th August, 1849, when C. P. De Lamater was chosen, who continued to be the cashier until the failure in October. *No bail was ever given by Thomas P. St. John, or C. P. De Lamater, while they acted as cashiers.* The names of the directors as they were annually chosen since 1843, appear in the evidence herewith reported.

Prior to 1st September, 1837 (when the stock was sold), a company was formed for the purpose of taking all the stock that was not wanted by individuals resident in the vicinity of the bank, and to this end the company procured ten thousand dollars from the Towanda Bank, to pay the ten per cent. required by the act of incorporation to be paid at the time of sale. For purposes of designation, the stock so taken by the company was called "*surplus stock.*" One of the members of this stock company was chosen treasurer to the commissioners, and acted as such at the sale. The stock was all sold 1st September, 1837. It was bidden off in the names of individuals, and the ten per cent. paid, principally in the notes of the Towanda Bank. But over three-fourths of the whole stock so sold was, in fact (although in individual names), on account of the stock company, and subsequently held by it. The bank did not go into operation for more than a year after the sale of the stock, and during that time some few shares of the surplus stock were taken by individuals to hold in their own right, and transferred to them. On 10th May, 1838, the directors, by a resolution, appointed the President of the bank, and William Ward, a committee with full powers to negotiate in Philadelphia, or elsewhere, sales of a portion of the surplus stock; but no very considerable amount appears to have been sold. Promissory notes were given upon 4th December, 1838, to represent the surplus stock, one of them, signed by the members of the stock company, for sixty thousand dollars, and the other by James C. Biddle, on their behalf, for fifteen thousand dollars. These notes were drawn payable to, and were deposited with, Allen & Paxon, merchants in the city of New York, and

a formal credit therefor entered by them in favor of the bank, about the time of its organization. A specie loan of eleven thousand six hundred and fifty-five dollars and thirty-seven cents was made from Allen & Paxon about the same time, and that sum actually remitted to the bank about 7th January, 1839, apparently on the sixty thousand dollar note, above stated. But shortly afterwards, in 1839, these stock notes were returned to the bank, and on 1st November, 1839, two new notes given in renewal thereof, both drawn payable to the bank, and signed by the members of the stock company, one for forty-eight thousand three hundred and forty-four dollars and sixty-three cents, and the other for fifteen thousand dollars. These two notes remained in the bank until the time of the suspension in 1843, when they were carried off by Kellum, the retiring cashier, and by him left, about 3d May, 1844, with John F. Means, Esq., of Towanda, where they have remained ever since. Upon the 27th November, 1843, the directors of the bank passed a resolution authorizing *an assignment or transfer of the surplus stock to the bank, and that the stock notes therefor should be cancelled.* The same day the transfer was made accordingly. The amount of surplus stock so transferred to the bank, is stated upon the Transfer book, to be sixteen hundred and thirty-six shares, amounting to eighty-one thousand eight hundred dollars. The whole capital stock being one hundred thousand dollars, there would, therefore, remain but eighteen thousand two hundred dollars (three hundred and sixty-four shares), at that time held by individuals in their own right. *The evidence is clear that the surplus stock was never actually paid in, and that no certificates were ever issued therefor.* The ten per cent. in Towanda money, paid thereon at the sale, and the specie loan of Allen & Paxon, were arranged by the bank, the stock company eventually being subjected to no responsibility or loss. The surplus stock notes were simply used or held by the bank for a time, and eventually cancelled by the directors without payment. The whole transaction in relation to the surplus stock was in open and flagrant violation of law, and the groundwork of the subsequent mismanagement and disasters of the institution.

The act incorporating the bank provides as follows, in relation to payment of the stock (P. Laws, 1837, page 280):

“SECTION 7. No discounts shall be made, nor any notes issued by said bank, until the whole of the capital stock thereof be paid in; nor shall the said bank purchase any, nor shall any loan be made upon the pledge of its own stock.”

The fact that the capital stock was not paid in, was suppressed, and unknown to the Legislature and the public. The annual reports to the Auditor General represented the capital stock at its full amount of one hundred thousand dollars, during the whole existence of the bank; and the evidence of one of the stockholders, resident in Montrose, is, that he had no suspicion that the whole stock was not paid in, until after the suspension in 1843. The returns to the Auditor General were usually sworn to by the cashier, before a justice of the peace, who was one of the directors of the bank, and constituted the official intelligence given to the public by the institution, in relation to its condition and management. The two last reports were not sworn to, but had attached to them a statement bearing the appearance of an affidavit, although not such in fact. The lack of actual capital by the bank, doubtless led to the arrangements entered into in 1844 and 1845, for the re-organization of the institution, in connection with the resumption of operations. The suspension in 1843, is imputed by the bank mainly to alleged misconduct of Mr. Kellum, the cashier, and to losses consequent thereon; but the President of the bank states, that after the suspension, upon a careful examination of its affairs, it was ascertained to be solvent and able to meet its engagements. Yet with shattered credit and with little capital, and that mainly outstanding in the shape of debts due the institution, the bank was not in a condition to resume operations without some new arrangement in its organization, that should invigorate its credit and put it in possession of funds. Such an arrangement was made in 1845, but it was one of a visionary character, that could not reasonably be expected to eventuate otherwise than in disaster. That arrangement was, substantially, as follows:

First.—That the directors and stockholders of the bank should make a donation

to St. John & Goddard and A. St. John of one-third (amounting to five or six thousand dollars), of the stock individually held by them, the said directors and stockholders.

Second.—Sell to same, six thousand dollars worth of the *surplus stock* for half price—three thousand dollars.

Third.—Give St. John & Goddard, and A. St. John, the management of the bank, and if required, the right of naming a majority of the directors.

Fourth.—St. John's & Goddard to loan the bank funds, to reinstate its credit, at six per cent., to be repaid when the bank was able.

St. John & Goddard were then a firm of brokers in Philadelphia. A. St. John is now a broker, and a resident of the city of New York.

Pursuant to this arrangement, Thomas P. St. John came to Montrose, was chosen cashier, and the bank resumed business 9th of April, 1845. A St. John paid into the bank three thousand dollars, for the six thousand dollars worth of *surplus stock* sold him, and also paid in an additional one thousand dollars, for two thousand dollars worth of the same stock afterwards sold him on the same terms. This amount of four thousand dollars (independent of funds advanced on loan if there were any) constituted the basis of subsequent banking operations which were so extended, that at the time of the failure in 1849, the amount of notes out, was about two hundred and five thousand dollars. In addition, however to this four thousand dollars, property owned by the bank and debts due it, should be estimated, among its ultimate resources, and a portion of the notes out, issued under special contracts hereafter stated, although beyond the control of the bank, were possibly not in general circulation.

The original by-laws of the bank, adopted 12th December, 1838, appear well calculated to secure a wholesome administration of its affairs. The 3d by-law provides that paper exceeding two hundred and fifty dollars offered for discount, should have at least three responsible names, including the maker or drawer. The 6th, that no note or bill should be discounted, except with the assent of a majority of the directors present, exclusive of such as might appear as drawers or endorsers of said note or bill. The 11th, that the president and cashier might discount paper, between the regular discount days, with the consent of the resident directors, but all such discounts to be submitted to the board for their consideration at their next meeting. The 13th, that no note over four thousand dollars, be discounted for any person at one time. The 14th, that the cashier and clerks should give bonds with surety, for the performance of their trusts. The 25th, that no note should be discounted for persons living out of the State, without at least one responsible endorser, resident within the State; and the 29th, that none of the by-laws should be rescinded or altered, unless at a meeting of two-thirds of the directors, and after notice of such proposed alteration.

The by-laws do not appear to have been rescinded or changed by the directors; yet the bank was conducted in direct violation of their provisions. On 9th April, 1845, the directors adopted a resolution, "that the cashier or president be authorized to discount notes or make loans during recess between the meetings of the board;" and upon 13th February, 1847, they further resolved, "that the cashier be authorized during the recesses in the meetings of the board, to discount such paper as he may in his discretion think best." A more complete surrender of the discounting business of the bank into irresponsible hands, could not well be conceived. The cashier had never given bail, and besides the 6th and 11th by-laws of the bank were, by these resolved, deliberately disregarded.

But the grossest violation, not only of the by-laws, but of a system of regular banking, was in regard to special loans. There were *three* loans classed under this head, two of which are admitted to have been made under the authority of the directors, and the other, it is asserted by the bank, was made by the cashier without authority. For purposes of designation, these loans are named respectively,—the Mann Loan—the St. John's Loan—and the Thompson Loan.

THE MANN LOAN.

On the 13th May, 1846, the directors resolved, that the president and cashier were

authorized to make an arrangement with Seth H. Mann, cashier of the Canal Bank of Cleveland, or with him and T. C. Severance, Cashier of the City Bank, Cleveland, Ohio, to furnish him or them with the circulating notes of the Susquehanna County Bank, in amount not exceeding one hundred thousand dollars, on such terms as they might deem proper and just, and pending the exchange of contracts between the parties, to deliver to said Mann or Severance, such sums as they might deem proper.

Pursuant to this resolution, a contract was entered into between the bank and S. H. Mann, the terms of which were in substance; that the bank would loan to said Mann its circulating notes to the amount of one hundred thousand dollars for his use, and to be put in circulation by him; that while such notes were in actual circulation, Mann should pay *two* per cent. interest thereon to the bank; that accounts should be kept of amounts put into circulation, as well as of amounts redeemed and returned to the bank, and settled semi-annually between the parties; that the notes issued to Mann should be distinguished by a particular mark or designation from all the other notes of the bank; that Mann should provide funds for the redemption of the notes in the City of New York, and upon failure to do so for sixty days after written notice from the bank, the latter to have the right of annulling the contract, and thereupon the whole amount loaned to be forthwith due; and finally, that the contract should remain in force (unless forfeited as before provided) for one year after written notice from the bank to Mann, of a desire to terminate it. This contract was submitted to the directors of the bank 7th of September, 1846, and by them ratified and confirmed.

On 13th February, 1847, the directors, by resolution, authorized another loan to Mann, in an amount not exceeding one hundred thousand dollars, in addition to the former loan, and subject to the same conditions. (The President of the Bank states his recollection to be, that this additional sum was but ten thousand dollars; but this is in contradiction of the regular entry upon the minute book of the directors.) *No security was taken by the bank from Mann, for the redemption of the notes issued, or for the performance of any of the other stipulations of the contract.* It remains but to state, upon this point, that at the time of the failure of the bank, in October, 1849, there was a balance of the notes issued to Mann, unaccounted for by him, of *seventy-three thousand dollars*, and that the evidence discloses the fact that he is wholly irresponsible.

THE ST. JOHN'S LOAN.

By resolution of the Board of Directors, dated 5th September, 1849, a contract for a loan of twenty thousand dollars to Ansel, & T. P. St. John, was authorized, upon the same terms as the one existing with S. H. Mann. The contract was accordingly executed, in writing, and the twenty thousand dollars issued thereon. Of this amount eight thousand dollars has been redeemed and returned to the bank, leaving twelve thousand dollars to be adjusted between the parties.

THE THOMPSON LOAN.

Among the papers of the bank, found after the failure, was an agreement between the bank and Egbert A. Thompson, of Cincinnati, dated 30th June, 1849, but signed by Thompson alone. It provided for a loan by the bank to Thompson, in the sum of ninety thousand dollars, upon the same terms as those of the Mann contract. By the cash book of the bank, it appears that twenty-nine thousand dollars of notes were issued to Thompson in the early part of August, 1849, and that, by subsequent issues, the amount was increased to sixty-five thousand dollars, and stood at that sum at the time of the failure. This amount remains unaccounted for by Thompson, and he is believed to be insolvent.

The President of the Bank testifies, that the Thompson loan was without the consent or knowledge of himself or the directors. That the two cashiers, T. P. St. John and De Lamatter, were cognizant of it, is evident; and the filling up of such large

amounts of paper would naturally have attracted the attention of the President and Clerks also. But under the evidence, perhaps nothing but gross negligence, and inattention, can be charged upon the President and Directors in regard to the Thompson issues, which were stated upon the cash book in the same way as those to Mann, in figures and initials.

These special loans were alone adequate cause for the failure of the bank, the issues under them being (except the twenty thousand dollars to A. St. John) to irresponsible persons, in large amounts, and without security. The issue to Mann alone, was more than double the actual capital stock of the bank at any time during its existence, and vastly beyond the whole assets of the bank.

In the fall of 1849, large sums of the notes of the bank found their way to New York for redemption, and of inevitable necessity the bank sunk under the pressure. At the time of the failure, the actual amount of specie in the bank was thirty-seven and a-half cents, which was increased by a repayment of one of the clerks, to forty-two dollars and fifty-six cents. It is impossible to ascertain the amount of good debts due the bank at the time of the failure, in order to fix the value of its assets, from the uncertainty of the evidence in regard to discounts made to William Bradley, and four or five others, in the West. But, independent of those transactions, the assets of the bank appear about as follows, at the date of the failure :

Specie	-	-	-	-	-	-	\$42 56
Bank notes, good	-	-	-	-	-	-	5 00
Good debts	-	-	-	-	-	-	24,000 00
Doubtful do.	-	-	-	-	-	-	14,000 00
Claims taken by St. John	-	-	-	-	-	-	1,166 72
Personal property	-	-	-	-	-	-	100 00
							<hr/>
							\$39,214 28
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The amount due depositors was three thousand five hundred and fifty-five dollars, and the whole amount of notes out over two hundred thousand dollars. The greater part of the fourteen thousand dollars, marked *doubtful* above, will never be realized.

Upon the discount book appear entries, in relation to discounts made to various persons in the West, through the agency of E. A. Thompson, or in connection with his dealings with the bank. The entries bear date from May until August, 1849, and are of notes discounted; some of the later ones being apparently renewals of former ones. The first note discounted was one signed by William Bradley, and others, and endorsed by Thompson, for twenty thousand dollars. Subsequently notes of two thousand five hundred dollars were respectively discounted to W. Q. Hodgson, Peter Voorhies, J. C. Brown, William Bradley, &c. The twenty thousand dollar note is in possession of the bank, and the others are alleged to have gone into the hands of A. St. John. So far as the condition of these claims can be ascertained, whatever is due the bank upon them will not be realized. How much, if any, has been collected by A. St. John, is unknown. The amount due from those persons is unknown; but it is clear that a large sum is irretrievably lost to the bank upon those transactions. Nothing but recklessness could have prompted such discounts by the bank, made, as they were, in violation of every principle of prudence, and apparently with an utter disregard of results.

The lack of capital to form the basis of operations—the special loans to Mann and others—and these discounts to Bradley and others, were undoubtedly the causes of the failure of the Bank of Susquehanna County. The Commissioners are impressed with the conviction, that as the mismanagement of the institution originated in, and was connected with, the deceptive and unlawful arrangements in regard to the capital stock, that a stringent provision in the charter, rendering the directors personally liable to note holders, to the amount of the capital stock of the bank, or some provision of a similar character, would have created a wholesome restraint upon the officers of

the bank, and in all probability secured a prudent and careful management of its affairs. In case of a heavy personal responsibility upon the officers of the bank, it is not reasonable to believe that any such reckless loans and discounts as those before stated, would have ever been made.

An explanation given for the fact of organizing the bank without the payment of the whole capital stock, is, that so much capital was not considered necessary. In that case, an application to the Legislature to reduce the capital stock, was the plain and proper course to pursue. At all events, this suggestion is no excuse for a violation of the charter, and a career of deception pursued for years toward the Legislature and the public. A loss of over one hundred thousand dollars to innocent note holders, is the practical result of the policy adopted by those who had the organization and subsequent management of the bank in charge.

The Commissioners, in conclusion, take pleasure in stating, that the persons connected with the bank at Montrose, who were called upon, afforded every reasonable facility to the making of the investigation, and that those of them who were examined as witnesses, testified with apparent fairness and fidelity. Nor did it appear in evidence that any of them had fraudulently abstracted the funds of the bank, or improperly applied them to their own purposes.

C. E. WRIGHT,
C. R. BUCKALEW.

EVIDENCE.

24th June, 1850.

Hon. William Jessup affirmed.

Prior to opening the books for subscribing stock, some persons in Montrose, who designed taking stock, having learned that persons—brokers in New York and Philadelphia, proposed to take stock; at a meeting determined that the stock should be taken here, and a foreign influence should not control in the matter. The object proposed was, to secure the stock in this and the adjoining counties. When the books were opened the stock was taken accordingly. I am unable to say by whom, or in what sums, exactly, stock was taken. A company having been formed for the purpose of taking all surplus stock that resident individuals did not want to take themselves; the surplus stock beyond that that was wanted by individuals to hold in their own names, was taken by this company, to the whole amount of the capital stock. The arrangement of that surplus stock was left to Mr. J. C. Biddle and C. L. Ward. What amount was paid by stockholders, who held stock in their own names, I cannot say. Whatever amount was actually required to be paid by the charter, was paid to commissioners. The commissioners were Mr. George Fuller, and others. What arrangement was made by Ward and Biddle afterward with the surplus stock, I am not able to state. The surplus stock afterwards came into the name of James C. Biddle & Co.; the company consisted of Isaac Post, David Post, Sylvanus S. Mulford, C. L. Ward, Daniel Searle, Wm. Ward, Jesse Lane, Wm. L. Post, and myself. The stock stood in the name of James C. Biddle & Co. For about a year after the subscription, efforts were made to distribute this stock in the country; I am unable to say how much was distributed. So much of the original capital as was deemed necessary to do business by the directors, was actually paid in, and the residue of the stock was represented by the notes of this company. Before the bank went into operation, I ceased to be a director. From time to time I was afterward called on to sign renewed stock notes, and did so. James C. Biddle died about 1842; he was the president of the bank from its organization until his death, and had the principal charge of its financial concerns, as I understood. After his death, the company assumed the name of Wm. Jessup & Co., for the purposes of the stock standing

in the name of James C. Biddle & Co. At some subsequent period, I was desired by others composing the company, and having charge of it from time to time, to transfer the stock standing in their name to the bank; I did so; the transfer books will show the transaction. At the time of the transfer, I understood it was in contemplation to wind up the affairs of the bank. This is the substance of my recollection as to the stock matters of the bank. A reference to the books and papers of the bank would probably refresh my recollection as to further matters in this connection.

In 1843, in February or March, I was desired by the directors to go to Philadelphia for the purpose of there assisting Mr. Post, the president of the bank, in arrangement of the business of the bank, which had fallen into difficulty with Storm & Morgan, brokers. They had been intrusted with the funds of the bank to a large amount, and had appropriated them to their own purposes, and the bank was unable to recover these from them. I went to Philadelphia; found that Storm & Morgan were utterly insolvent, and had so large a sum in their hands, for which they did not account, that redemptions in Philadelphia had to be suspended. Large sums of the paper of the bank had been pledged by them for loans of money in smaller sums, for the redemption of which arrangements were made. The account with Storm & Morgan was finally settled by me in the fall succeeding; a balance of, I think, \$11,000 was found due the bank from them at that time. Acceptances had been received from them prior to that time, on that account, to amount of about \$3,000, which have since proved to be entirely unavailable and worthless; making the whole eventual loss to the bank of about \$13,000 or \$14,000. The whole amount of liability in the first instance was about \$18,000, but the bank realized in the transactions, so as to reduce the eventual loss to the sums I have stated. The difficulties into which this event threw the bank, together with difficulties in collecting some other large claims, compelled it to suspend; and afterward the transfer of stock to the bank was made in contemplation of a winding up of the affairs of the bank.

The bank remained suspended until St. Johns came into it. About the time the St. Johns came into it, a careful statement was made by the president of the situation of the bank; from which it appeared that if a debt of about \$5,000, resting in a judgment upon property in Candor, in New York, and a debt of about \$2,000 due by some persons at Towanda, could be recovered, the bank would be able to pay all it owed, and about the amount of the stock paid in. I had \$500 worth of stock originally in the bank, which I subsequently transferred.

Calvin C. Halsey sworn.

I was in the bank in the capacity of a clerk. I went into the bank about 26th February, 1849, and remained until the 8th December, of same year. Mr. St. John was cashier until the fore-part of August, and Mr. Delamatter afterward, until the failure of the bank. The 27th October was the last day the bank did business. My present impression is, that sixty or seventy thousand dollars were sent West while Mr. Delamatter was cashier. I filled up a portion of the notes issued: Mr. D. filled up some. I should think the register of circulation would show how much was issued while Mr. D. was cashier. No money prepared for Mann of Buffalo, while I was there. I know of none sent him while I was there; it was before. The only account of amount issued to him was in cash book. I have seen the contract with him in the bank. I have seen an entry on the books of the action of the directors with regard to the Mann contract. My impression is, the directors authorized the issue of an additional sum to Mann after the first arrangement. I think at the time of the failure he had not accounted for \$73,000 issued to him. I recollect of an amount of the Mann issue being returned to the bank in summer of 1849, and there cancelled; I think \$10,000 or 12,000.

Wm. L. Post affirmed.

I was chosen President of the bank 6th April, 1841, and continued President until

the failure of the bank. The officers were elected annually; except, I think, one year at the time of the suspension, when Kellum was cashier. Isaac S. Kellum was cashier in April, 1841, and had been before. He continued to be cashier until 21st June, 1843. There was then no cashier until T. P. St. John was elected on 9th April, 1845. He continued cashier up to 4th of August, 1849. C. P. Delamatter was then elected, and continued until November 2d, 1849; none since. I think the bank suspended in January, 1843; the resumption was in April, 1845, when St. John was chosen cashier. I made a statement at the time of the suspension. There were enough assets to pay bill-holders and depositors, and it depended upon contingencies whether there would be enough to pay the stockholders. The contingencies were in relation to the collection of debts in the State of New York. There was a judgment at Candor; there was a claim also at Towanda, between one and two thousand dollars; there were other debts in Bradford, making the whole amount there \$2,000. The Candor judgment in Candor, has since been realized. There were two judgments there; one realized in full, except, perhaps, expenses and costs, and the other in part; a small portion.

The Towanda claims were since paid. I was chosen director in 1838, in the first board of directors. I continued a director until elected President of the Bank. James C. Biddle was President of the bank from its organization until April, 1841, about which time he died. Mr. Kellum had been cashier from the organization of the bank until 1841. Mr. Miller had been chosen cashier, but did not act owing to ill health. The bank commenced business 18th December, 1838. I cannot state exactly, but I think 25 or \$30,000 of stock was taken by individuals; my recollection is, that over \$70,000 was the amount of the surplus stock. The whole amount of the capital stock was \$100,000. The 25 or 30,000 taken by individuals, was actually paid in, and certificates issued therefor. No certificates issued for the surplus. I was present when the commissioners sold the stock. I subscribed some. I think ten per cent. was then paid to the commissioners. The subsequent instalments were paid as the directors called for them. The shares were \$50 each, and \$5 were paid on each to the commissioners. Some Towanda money was paid to the commissioners on stock. I can't say whether any of it was paid or not by individuals. The surplus stock was over \$70,000 at that time, and taken by the company. The Towanda money was paid on the per centage of the surplus stock, either in whole or in part. I do not recollect the gross amount so paid on surplus stock. I don't recollect of seeing Mr. Storm, the cashier of the Towanda Bank, here at that time. There was a loan by the company taking surplus stock from the Towanda Bank, in order to secure the stock. I can't say how soon the money was returned to the Towanda Bank. I should think it was done very soon afterward. Stock notes were given to represent this surplus stock. I think a first surplus-stock note of over \$60,000 was afterward renewed by two new notes. I can't state what was done exactly with the surplus stock notes subsequently in regard to renewals and arrangements concerning them. Mr. Kellum took them away when he left the bank in summer of 1843, and they have not been in the bank since. I do not know where they are, but have heard they are in the hands of a gentleman in Bradford county, from him and others. Mr. St. John never gave bail as cashier. He was required by the board of directors to give bail before he acted as cashier. He said he would as soon as he examined and knew what he was giving bail for. It was never attended to by him. Mr. Delamatter never gave bail as cashier while he acted. He was appointed because St. John was to be absent, and he was to act under St. John's directions at the request of the latter. Such was the understanding of the directors.

The bank kept its account with Matthew T. Miller in Philadelphia. Kellum went to Philadelphia, and without authority from the directors, removed the account to Storm & Morgan. I objected to his doing so, and called a meeting of the board on the subject. But before the meeting the removal was made, and the board did not undo it as it was done, and the account with Miller settled. Afterwards when the difficulty occurred, Mr. Jessup and I went to Philadelphia. We found Storm & Morgan had hypothecated a large amount of our notes. The eventual loss with them after

credits, about \$11,000, as the account was settled. The additional losses upon acceptance, from Storm & Morgan, were \$6 or 7,000 altogether. The bank suspended in consequence of this, and Kellum left. Mr. Kellum gave bail as cashier, and his bonds were renewed once. His bonds were in the sum of \$50,000. Suit was subsequently brought against the bail of Kellum on his bond. The suit was compromised while St. John was cashier, for about \$700. I do not know what was involved in the action.

Extracts from Book of Minutes of the Board of Directors, Page 55.

"*Resolved*, That the bank take an assignment or a transfer of the stock held by Wm. Jessup & Co., for which notes have been given, and that the notes given for such stock be surrendered and cancelled, no stock having been issued."

November 27th, 1843.

PAGE 54.—20th November, 1843.—Election of Officers.

Directors.—Wm. L. Post, Isaac Post, S. S. Mulford, Henry Drinker, Wm. J. Turrell, William S. Mulford, Thomas Nicholson, H. J. Webb, R. B. Little, F. B. Chandler, Leonard Searle, Milton Harris, and William Ward.

William L. Post unanimously elected President, 27th November, 1843.

P. 55.

"*Resolved*, Isaac Post, H. Drinker, William L. Post, S. S. Mulford, Thomas Nicholson, be a committee to make arrangements for the sale of so much of the stock of the bank (now held by the bank) as they may think best, for the purpose of again resuming business, and that they have plenary powers upon this subject."

27th November, 1843.

P. 55.—23d December, 1843.

"*Resolved*, That William L. Post, and Henry Drinker, or either of them be, and are hereby authorized to make any arrangements which they may deem best and proper for procuring funds for renewing the operations of the bank, and that for the purpose thereof, the whole and full power and authority of the bank be conferred upon them or either of them."

P. 56.—9th July, 1844.

"*Resolved*, That we accept the proposition to reinstate the Bank, of St. John & Goddard, and A. St. John. *Unanimously adopted.*"

P. 57.—18th November, 1844.—Election.

Directors.—William L. Post, S. D. Phelps, M. S. Wilson, Alfred Baldwin, Charles Avery, Daniel Searle, Leonard Searle, S. S. Mulford, Milton Harris, F. B. Chandler, S. Meylert, William Ward, and Daniel Post.

25th November, 1844.—William L. Post elected President.

P. 58.—9th April, 1845.

Directors present, S. S. Mulford, M. S. Wilson, D. Searle, C. Avery, A. Baldwin, L. Searle, and William L. Post.

"*Resolved unanimously*, That the President is hereby authorized to transfer to Messrs. Ansel St. John, and St. John & Goddard, or to any other person or persons whom they may direct, \$6,000 worth of the surplus stock of the bank, in accordance with a previous agreement, and on payment of \$3,000.

"*Resolved unanimously*, That T. P. St. John is appointed cashier, at a salary for the present of \$700.

"*Resolved*, That the cashier or president be authorized to discount notes, or make loans during recess of, between the meeting of the board."

P. 59.—1st August, 1845.

The counting and burning committee reported (on file) that they had destroyed by burning, \$200,000 of the circulating notes of this bank.

P. 59.—17th November, 1845.—Election (14 persons voting—71 votes).

Directors.—William L. Post, William J. Mulford, Leonard Searle, M. S. Wilson,

Alfred Baldwin, F. B. Chandler, T. P. St. John, William C. Goddard, A. St. John, J. E. Shaw, B. G. Ferris, Henry Hibbard, and Henry F. Hibbard.

24th November, 1845.—William L. Post chosen President.

P. 60.—13th May, 1846.

Present: L. Searle, A. Baldwin, Wm. J. Mulford, F. B. Chandler, T. P. St. John, and Wm. L. Post, President.

On motion, of L. Searle,

“*Resolved*, That the president and cashier be hereby authorized to enter into and conclude an arrangement on the part of this bank, with Seth H. Mann, cashier of the Canal Bank of Cleveland, or S. H. Mann and T. C. Severance, cashier of the City Bank, Cleveland, Ohio, to furnish said Mann, or Mann & Severance, with the circulating notes of this bank, to an amount not exceeding \$100,000, upon such terms as they may deem proper and just, and that they be authorized to deliver to said Mann or Severance, such amounts as they may deem proper, during the pendency of exchange of contracts between the parties.”

P. 61.—7th September, 1846.

Present: M. S. Wilson, A. Baldwin, L. Searle, F. B. Chandler, Wm. J. Mulford, T. P. St. John, H. F. Hibbard, and Wm. L. Post.

On motion of L. Searle, seconded by Wm. J. Mulford,

“*Resolved*, That the agreement between the bank and S. H. Mann be ratified (as presented to the board this day).

“*Resolved*, That the salary of the cashier be increased to \$1,000, beginning with the commencement of the present year, say 1st April, 1846.”

P. 61.—16th November, 1846.—Election.

Directors.—Wm. L. Post, A. Baldwin, C. Avery, D. Searle, Wm. J. Mulford, H. J. Webb, A. St. John, W. C. Goddard, H. F. Hibbard, H. Hibbard, B. G. Ferris, J. E. Shaw, and ———

23d November, 1846, Wm. L. Post elected President.

P. 62.—13th February, 1847.

Present: Wm. L. Post, C. Avery, H. J. Webb, W. J. Mulford, A. Baldwin, T. P. St. John, and A. St. John.

On motion of C. Avery, seconded by Wm. J. Mulford, it was unanimously

“*Resolved*, That the president and cashier be authorized, to furnish to S. H. Mann the circulating notes of this bank, to an amount not exceeding \$100,000, in addition to the sum authorized to be furnished said Mann, by resolution adopted 13th of May, 1846, subject to the same provisions of the contract now in existence between said Mann and this bank.”

On motion of W. J. Mulford,

“*Resolved*, That the cashier be authorized during the recesses in the meetings of the board, to discount such paper as he may in his discretion think best.”

[Across the first resolution above, appears the following, written in red ink, and without date, and in a different hand from that of the resolution.—“According to my understanding this resolution should read \$10,000, instead of \$100,000.—W. L. Post, C. Avery.”]

P. 63.—15th November, 1847.—Election.

Directors.—Wm. L. Post, D. Searle, H. J. Webb, C. Avery, W. J. Mulford, J. K. Sexton, A. St. John, W. C. Goddard, J. E. Shaw, T. P. St. John, B. G. Ferris, W. J. Turrell, and H. F. Hibbard.

22d November, 1847.—Wm. L. Post elected President.

P. 63.—29th December, 1847.

“*Ordered*, That this bank redeem its issues hereafter only at its own counter.”

P. 64.—20th November, 1848.—Election.

Directors.—Wm. L. Post, D. Searle, H. J. Webb, C. Avery, W. J. Turrell, W. J.

Mulford, J. K. Sexton, T. P. St. John, Oliver Besly, A. W. Flint, David Bates, Henry Hibbard, and C. G. Imlay.

27th November, 1848.—Wm. L. Post elected President.

26th May, 1849.

C. C. Halsey elected a director, to fill the vacancy of J. K. Sexton.

P. 64-5.—26th May, 1849.

Present: C. Avery, H. J. Webb, W. J. Turrell, Wm. J. Mulford, T. P. St. John, C. C. Halsey, and Wm. L. Post.

"*Resolved*, That the cashier be authorized and directed to discount the notes or drafts, or both, of Hodgson, Voorhies, Merrill, Bradley, Brown, Thompson, and Furness of Cincinnati, at three and four months, as from time time he may deem it expedient, to an amount not exceeding \$40,000."

P. 65.—4th August, 1849—Six o'clock, P.M.

Board met,

Present: Wm. L. Post, C. Avery, W. J. Turrell, W. J. Mulford, C. C. Halsey, H. J. Webb, and T. P. St. John.

T. P. St. John offered his written resignation of the office of Cashier, to take effect immediately; which was,

On motion, accepted.

C. P. Delamatter was, on motion, unanimously elected Cashier of this Bank, with a salary, for the first year, of \$800. It is also understood that he is to furnish a sufficient bond, for \$20,000, for the proper performance of his duties as cashier.

P. 66.—5th Sept., 1849.

Present: C. Avery, W. J. Mulford, H. J. Webb, W. J. Turrell, C. C. Halsey, T. P. St. John, and W. L. Post.

"*Resolved*, That the President be authorized to enter into a contract, under seal of the bank, with Ansel St. John, and Thomas P. St. John, for the loan to them of the circulating notes of this bank, to an amount not exceeding \$20,000, upon the same general terms and conditions as are contained in the contract now existing with S. H. Mann.

"*Resolved*, That S. H. Mann be requested, as soon as practicable, to reduce the amount of the circulating notes of this bank, now held by him under contract, to \$60,000."

P. 66.—1st Nov., 1849.

Present: W. L. Post, D. Searle, W. J. Turrell, H. J. Webb, T. P. St. John, C. Halsey; met pursuant to call of the President.

"*Resolved*, That D. Searle, W. J. Turrell, C. Avery, and W. L. Post, be a committee to examine into the business of the bank, and report as early as practicable to the board.

"*Resolved*, That the President, W. L. Post, be, and he is hereby authorized and directed to convey to C. L. Ward, and Henry Drinker, their heirs or assigns, all the interest of the bank of Susquehanna County, in and to the real estate in Candor, in the State of New York, known as the "Daniel Hart property," now in possession of J. J. Sackett, containing 250 acres, or thereabouts, the said Ward and Drinker to sell and dispose of the same for cash, or on credit, and apply the proceeds in payment of the several depositors, who now have balances due from the bank, in the first place; and the surplus to such certificates of deposit as may be issued by the Board of Directors, applicable to the fund thus created, the purchaser or purchasers not to have their title affected in any way by any misapplication of the purchase money.

"*Resolved*, That the President also further assign, and transfer, for the same purposes, to the said Henry Drinker, and C. L. Ward, the note of Henry Randall, for \$3,469 70, dated 4th July, 1849; the proceeds to be applied as above."

P. 67.—2d Nov., 1849.

Resignation of C. P. Delamatter, as Cashier of the Bank, to take effect immediately. *Accepted*.

3d November, 1849.

Board met at the call of the President.

Present: D. Searle, H. J. Webb, Wm. J. Turrell, C. Avery, C. C. Halsey, and Wm. L. Post.

"Resolved unanimously, That a suit be instituted, in the name of the Bank of Susquehanna County, in such form as may be advised by counsel, against T. P. St. John, for illegally and fraudulently removing and abstracting from, or causing or permitting to be so removed, abstracted, or taken from the said bank, funds and circulating notes thereof, to a large amount."

5th Nov., 1849.

Present: C. Avery, W. J. Turrell, D. Searle, C. C. Halsey, H. J. Webb, and Wm. L. Post, pursuant to call of President.

"Resolved, That the President, Wm. L. Post, be, and he is hereby authorized and directed, to convey to C. L. Ward, and Henry Drinker, their heirs or assigns, all the interests of the Bank of Susquehanna County, in and to the two judgments of James C. Biddle, against Hart and others, in the Superior Court of the State of New York. And all damages, and cause of action, arising or accruing by means of such judgments, and causes of action, and claims for damages, for use and occupation, or otherwise, of the property formerly of Daniel Hart, in the county of Tioga, of said State; and all other causes of action, claims, or demands, against Robert L. Fleming, late sheriff of said county, arising or accruing by reason of his neglect or refusal to make and deliver a deed of the said Hart property, or against John J. Sackett and William H. Sackett, for the use and occupation of, or damages done to the said property. The said Ward and Drinker to settle and dispose of, and appropriate the proceeds in manner, as described in a resolution of Nov. 1st., A. D. 1849, for the disposition of the proceeds of the sale of said real estate."

6th Nov., 1849.

Present: W. J. Turrell, H. J. Webb, C. C. Halsey, Daniel Searle, C. Avery, and W. L. Post.

"Resolved, That Joseph T. Richards and C. L. Ward be, and they are hereby constituted and appointed agents and attorneys for the Bank of Susquehanna County, to proceed to New York city, or elsewhere, as may be found expedient, to investigate the accounts of the institution with Ansel St. John, St. John & Goddard, S. H. Mann, E. A. Thompson, and others, in New York, Philadelphia, Cincinnati, or Buffalo, and to take such steps in the premises as they shall deem best calculated to save the institution and its creditors from further loss. And that they have, and are hereby given, all necessary powers, authority in the premises, to sign receipts, secure assets of the bank, and, should it be deemed expedient, to make settlements and give discharges, in any way or form which in their judgment shall be calculated to forward the purposes of their appointment.

"Resolved, That Daniel Searle, Henry J. Webb, Wm. J. Turrell, Charles Avery, the President, be a committee to pass upon such cases of claimants or bill holders, whose necessities or other circumstances entitle them to be preferred and paid under the assignment of the 1st and 5th of November, 1849, to C. L. Ward and Henry Drinker."

19th November, 1849.—Election.

Directors: Charles Avery, L. Searle, F. B. Chandler, A. Baldwin, H. J. Webb, D. D. Warner, J. B. Salisbury, S. D. Phelps, C. L. Ward, N. Overfield, M. Harris, Wm. L. Post, and Wm. J. Turrell.

23d Nov., 1849.

Present: L. Searle, D. D. Warner, J. B. Salisbury, F. B. Chandler, A. Baldwin, W. J. Turrell, H. J. Webb, and W. L. Post.

On motion,

L. Searle was appointed President *pro tem*.

"Resolved, That the account rendered by Wm. L. Post, for his salary and travelling

expenses, on business of the bank, from Nov. 1st, 1842, up to Nov. 1st, 1849, be credited to him on the books of the bank."

26th Nov., 1849.

Present: L. Searle, D. D. Warner, J. B. Salisbury, F. B. Chandler, A. Baldwin, H. J. Webb, and W. L. Post.

On motion of J. B. Salisbury,
W. L. Post, elected President.

Evening of same day,

Present: J. B. Salisbury, F. B. Chandler, A. Baldwin, Leonard Searle, W. J. Turrell, C. L. Ward, D. D. Warner, and W. L. Post.

"*Resolved*, That until all proper and judicious efforts have been made to settle up the business of the board, with the St. Johns of N. Y., S. H. Mann, of Buffalo, and E. A. Thompson, and others, of Cincinnati, it is not deemed best that any statement should be published by the Board of Directors, or under their direction, through the press.

"*Resolved*, That L. Searle, J. B. Salisbury, A. Baldwin, D. D. Warner, be a committee to supply the place of a committee named in the resolution of 6th of November, 1849."

Wm. J. Turrell and D. Searle, appointed a committee (with similar powers to that appointed by resolution of 6th of Nov., 1849, upon accounts with Ansel St. John and others), to investigate accounts of the institution with S. H. Mann, E. A. Thompson, and others, &c.

P. 1.—12th December, 1839.

"*Resolved*, That F. Lusk, Esq., be paid five hundred dollars on account of his services and expenses in procuring the act of incorporation of the bank."

P. 49.—April 25, 1843.

The committee appointed by the directors to confer with Mr. Kellum, state that they have had a conference with him, in which he expresses a regret, and apologizes for having refused to proceed with the business of the bank on his return from Ithica. That after a long conference with Mr. K., the committee, from his statement, became satisfied that the suspicions heretofore existing in reference to his improper connexion with Storm, &c., were without foundation.

They are not aware of anything militating against the moral integrity of Mr. K. as cashier of the bank. But the circumstances of the bank, the necessity of curtailing expenses, and the known and undisguized prejudices against Mr. K., entertained by some of the stockholders and customers of the bank, require that, in a proper time and manner, the connexion of the cashier and bank should be dissolved. The mode and manner of accomplishing this delicate business, is submitted to the candor and good sense of Mr. K. and the board.

WM. JESSUP.
ISAAC POST.
DANL. SEARLE.
M. S. WILSON.
WM. L. POST.

April 25, 1843.

P. 50.—June 21, 1843.

"*Resolved*, That the Board of Directors, in the present state of the bank, cannot continue to employ the cashier longer. That the president, Wm. L. Post, be authorized to receive charge of the bank from the cashier, and to take possession of the effects.

"*Resolved*, That the cashier be allowed his salary up to the 1st of July next."

Pamph. Laws, 1837—p. 280, &c.

Extract from Act of Incorporation.

"SEC. 7. No discounts shall be made, nor any notes issued by said bank, until the

whole of the capital stock thereof be paid in; nor shall the said bank purchase any; nor shall any loan be made upon the pledge of its own stock."

Moses C. Tyler affirmed.

I was one of the commissioners to sell the stock; I attended the sale, at least a part of the time. I subscribed for five shares of the stock, \$50 each. I paid in 10 per cent. on the five shares in specie; never held more than the five shares; paid in the whole amount subsequently as it was called for. I sold my shares after January, 1843. I kept an account at the bank a greater part of the time, and deposited my surplus funds there when I had any. I did not know, until after the blow up in 1843, that the whole of the capital stock was not paid in. I supposed always, until then, that it had been paid in. I was, during the time, a resident of Montrose, and a merchant. There was a resolution offered, and lost, that payments of the 10 per cent. should be paid in specie. When I went to pay for my shares, the officer, Mr. Biddle, said they were paying in the stock.

Extract from Minutes of Directors, in Stock-book of Commissioners.—May 10, 1838.

"*Resolved*, That the President of the Board and William Ward be a committee, with full powers on the part of either of them to negotiate in Philadelphia, or elsewhere, the sale of a portion of the surplus stock of the Susquehanna County Bank, and to ascertain upon what terms any of the Philadelphia or New York banks will undertake the agency of this bank in the matter of exchange and deposits, and to report to the Board at a subsequent meeting."

Extracts from Minutes of Commissioners.

May 15, 1837.

Commissioners met and organized. Adjourned to meet Sept. 1, 1837.

Sept. 1, 1837.

Commissioners met, at Court House in Montrose.

On motion of Wm. Jessup, Esq.,

"*Resolved*, That in payment of subscription to the stock of the Susquehanna County Bank, the subscribers thereto be permitted to pay in current bank notes or specie the five dollars to be paid on each share, and the premium, if any should be paid."

C. L. Ward, Esq., sworn.

I was present when the stock was sold 1st September, 1837. I subscribed fifty shares in my own right, and 200 shares by proxies of others. I paid \$1,250 00, being five dollars a share on each. Two thousand shares were taken that day, which was the amount of the capital stock, and the 5 per cent. thereon was paid; all the shares were sold at par. A company of eleven was formed before the auction, consisting of the persons named by Judge Jessup, and Jesse Lane and Henry Drinker, for the purpose of taking the surplus stock that might not be taken by individuals. The stock remained as subscribed on the day of sale until the fall of 1838, when a notice was given requiring the balance to be paid on the 26th November, that year—the whole of the residue. In the meantime, transfers of a portion of the stock subscribed had been made to individuals desirous of holding in their own right, and who were not original stockholders, leaving about \$75,000—(I state from memory)—which was then held jointly by the company before named.

J. C. Biddle and myself were appointed on the part of the company to negotiate this stock with such persons and to such amounts as we might deem most conducive to the interest of the bank and stockholders; keeping in view the object of retaining the majority of the stock in the county.

The embarrassed condition of monetary affairs of that period prevented us negotiating the sales of stock as contemplated, and it was concluded by the company to make a joint loan upon our individual responsibility to the amount of the stock held

by the company, and put the Bank in operation. Two loans were made in pursuance of this conclusion, one of \$15,000 in one note, and another in \$60,000, of which the following are copies :

Montrose, December 4, 1838.

\$15,000.

Six months after date, I promise to pay to the order of Allen & Paxson, at the Mechanics' Bank, in the city of New York, fifteen thousand dollars, without defalcation, with interest after it becomes due.

(Signed)

JAMES C. BIDDLE.

[Not endorsed.]

Witness—Mr. Biddle was indemnified by the written agreement of the company.

(COPY OF OTHER NOTE.)

Montrose, Dec. 4, 1838.

\$60,000.

On demand, we, jointly and severally, promise to pay to the order of Allen & Paxson, at the Mechanics' Bank, in the city of New York, sixty thousand dollars without defalcation, for value received, with interest from date.

(Signed)

ISAAC POST,
WM. L. POST,
JAMES C. BIDDLE,
HENRY DRINKER,
JESSE LANE,
WILLIAM JESSUP,
DANIEL SEARLE.
S. S. MULFORD,
WILLIAM WARD,
C. L. WARD.

[Not Endorsed.]

These notes are the original ones, the names of the drawers being crossed on the last note—both notes having been taken up, and substituted by new ones, now in possession of Col. J. F. Means. These notes were negotiated by Mr. Biddle with Allen & Paxson, who were merchants in New York. These gentlemen (Allen & Paxson) at the same time became agents of the bank. My belief is, the \$15,000 note was paid to Mr. Biddle, and went into bank. Allen and Thompson also paid in specie to Mr. Biddle, on account of the other, i. e. \$60,000 note, \$11,655 37, on which a premium was allowed them of \$51 94.

This specie was bought up by Mr. Biddle, and deposited in the bank here. The balance of the \$60,000 note being \$48,344 63, was placed by Allen & Paxson to the credit of the bank in account, and the bank notified to that effect.

Allen & Paxson continued to be agents of the bank as long as I knew anything of the concerns of the same. I acted as Secretary of this company two years or more, from the time it was formed, and during this time we paid in interest and expenses on this loan, \$1,639 00. How much was paid in all I am unable to state, as I left the country in the spring of 1841, and ceased then to have any cognizance of the affairs of the company and of the bank itself. The 26th of April, 1842, I transferred my interest in this company's stock to the other nine persons (Mr. Lane having gone out of the company in 1839), they indemnifying me against the notes given for the loan heretofore referred to. I suffered a loss on the transfer of \$400, being in addition to the share of expenses I had paid theretofore, and never in any way, directly or indirectly, derived any profit from the stock so held. From this time on I kept an account in the bank as a depositor, occasionally, to the time of its failure. The balance due me was something upwards of \$300.

In August, 1837, several persons composing the company, heretofore named, made a note, which was discounted at the Towanda Bank, for \$10,000, I believe. How

much of this was used in payment of the five per cent. required at time of sale of stock, I can't say. The note was subsequently paid by persons who made it. It never had anything more to do with the Bank of Susquehanna County than I have stated. How long after it was discounted, it was paid, I don't recollect. I regarded it as a private individual transaction. All the 10,000 was not used. Mr. Mulford was Treasurer of the Commissioners, and held the funds.

Allen & Paxson received other moneys besides the notes referred to, for the credit of the Bank, at the time the account was opened with them, in December, 1838. I think this additional amount was about \$10,000. I knew of no reservation or condition in regard to the loans made to Allen & Paxson, which could have prevented the Bank from drawing for the whole amount at any time. I considered myself fully holden on the note, and the terms expressed in it, up to the time I transferred my interest in the concern. It was the impression and understanding of those concerned in the Bank at the outset, that \$35,000, about, was all the capital that would be required. It was the expectation that no more would be used.

I had no knowledge of any certificates issuing for the surplus stock held by the company as a joint concern. I never acted as a Director of the Bank since I left the county of Susquehanna, in 1841.

Friday, June 28th, 1850.

Sylvanus S. Mulford, sworn.

I was one of the commissioners to sell the stock of the Bank. I was appointed, and acted as treasurer to receive the funds paid in. The amount then paid was \$10,000, being 10 per cent. on the stock. A good deal of it was in Towanda money. I think \$10,000 was obtained of the Towanda Bank for the purpose of securing stock. The \$10,000 paid to me, as treasurer, was deposited in the Towanda Bank until this bank went into operation. I obtained a receipt for the deposit of the money in the Towanda Bank. It was forwarded to me by Storm, the cashier, and I handed it to some of those having the management or control of this bank. The deposit was made the very next day after the sale of the stock. It was paid over here, in Montrose, to the first clerk of the Towanda Bank; he was here in town and probably at the sale. His name was Miller. Mr. Storm was not here. I am not able to say whether Miller brought over with him the Towanda money that was used. I think the larger part of the money paid on stock was Towanda money. I do not know that any of the Towanda money was paid back on the note given for the money to the Towanda Bank. I do not know how the note in the Towanda Bank was paid. I should think from sixty to seventy thousand dollars of surplus stock was held by the Stock Company. This surplus stock was subsequently surrendered up to the Bank, and the stock notes therefor cancelled by the directors. The Stock Company did not, to my knowledge, pay the amount due on the surplus stock to the Bank at any time subsequent to the sale of the stock by the commissioners. I cannot now state how the Bank arranged the ten per cent. originally paid on the surplus stock. I am not certain whether the deposit in the Towanda Bank was drawn when this bank went into operation, and the previous note to the Towanda Bank given by members of the Stock Company paid, or whether the identical money drawn on the note was afterwards used to pay it. It was so arranged that the Stock Company did not lose or pay the ten per cent. paid on the surplus stock. The surplus stock was not intended to be a fund on which banking operations should be conducted.

I believe Allen & Paxson were appointed agents of the Bank to make redemptions in New York. They were to be allowed interest on what they should advance of their own funds in making redemptions; but I think they had most of the time, or all of the time, a sufficiency of funds sent them from the Bank to make the redemptions. I have no knowledge that any part of the surplus stock notes was drawn from Allen & Paxson by the Bank. No certificates of stock were even issued by the Bank, to my knowledge, for this surplus stock. I was a Director of the Bank three or four years. It was the intention when the Bank was organized, to use but thirty to forty thousand dollars of the capital stock. I was a member of the company holding surplus stock. I held thirty-four shares of bank stock in my own right.

Bank Reports to Auditor General.

Senate Journals:—

2 vol. 1840, p. 106.—(Signed,) J. Kellum Cashier. Capital stock stated at \$100,000.

2 vol. 1842, p. 250.—Sworn and subscribed before C. Avery, J. P., by J. Kellum, Cashier. "Capital stock as it stands on our books," \$100,000.

House Journal:—

2 vol. 1845, p. 177.—Affirmed and subscribed by Isaac L. Post, clerk before C. Avery, J. P. "Capital stock \$100,000."

Senate Journal:—

2 vol. 1846, p. 137.—Affirmed and subscribed by T. P. St. John cashier, before C. Avery, J. P. "Capital stock \$100,000."

2 vol. 1847, p. 84.—Affirmed and subscribed by T. P. St. John cashier, before C. Avery, J. P. "Capital stock \$100,000."

2 vol. 1848, p. 215.—"Personally appeared before me, C. Avery, Justice of the Peace, T. P. St. John; and doth say, that the foregoing statement is correct to his best knowledge.

T. P. St. JOHN, *Cashier.*"

Subscribed before me, this 4th December, 1847.

C. AVERY, *Justice of the Peace.*

2. vol 1849, p. 219.—Subscribed as above before C. Avery, by T. P. St. John, to the best of his belief, not representing himself as cashier.

George Fuller affirmed.

I attended as one of the commissioners to sell the stock in 1837. I made a motion that the ten per cent. be paid in specie, which motion was rejected. After the resolution was passed to pay in current bank notes or specie, I voting in the negative, I refused to sign the Commissioners report to the Governor. I think the five per cent. was paid principally in money of the Towanda Bank. There was some person here connected with the Towanda Bank. I was never a stock holder in the Bank of Susquehanna County.

John F. Means sworn.

I have two notes left with me by Mr. Isaac Kellum (produced and copied below).

Montrose, November 1, 1839.

\$15,000.

Six months after date, we, jointly and severally, promise to pay to the Bank of Susquehanna County, or order, fifteen thousand dollars with interest from date, for value received.

(Signed)

WILLIAM WARD,
C. L. WARD,
DANIEL SEARLE,
S. S. MULFORD,
J. C. BIDDLE,
ISAAC POST,
DANIEL POST,
WILLIAM JESSUP,
HENRY DRINKER,
WILLIAM L. POST.

Endorsed, J. C. BIDDLE, *President.*

Copy of Second Note.

Montrose, November 1, 1839.

\$48,344 63.

Six months after date, we, jointly and severally, promise to pay to the Bank of Sus-

quehanna county, or order, forty-eight thousand three hundred and forty-four dollars and sixty-three cents, with interest from date, for value received.

(Signed as above, but not endorsed.)

Witness.—I received them of Mr. Kellum, Cashier of the Susquehanna County Bank, the 3d day of May, 1844, at Towanda, where I reside. Mr. Kellum was going West, and left them with me under the impression that I was one of his bondsmen to be delivered up to the Bank upon settlement, upon a final adjustment of the difficulties between him and the Bank. The notes were to be given up upon settlement as aforesaid, and delivery up by the bank of Kellum's two bonds that he had given as cashier. I have retained the notes since. Mr. Kellum then went West, where he has resided; he is now in California. I let Mr. Post, the president, know some time after I received the notes, that I had them—or he spoke to me on the subject, and directed me to retain them. I know W. L. Post's and C. L. Ward's signatures to the notes.

Leonard Scarle affirmed.

I know the signatures to the two notes produced by Mr. Means, excepting William Ward's. I believe them to be the signatures of the persons subscribed.

Extracts from By-Laws of the Bank of Susquehanna County, Adopted 12th Dec., 1838.

“ARTICLE 3.—All notes and acceptances offered for discount exceeding in amount \$250, shall have at least three responsible names, including the maker or drawer; and the individuals composing a firm shall be considered as one name only.

“ART. 6.—No bill or note shall be discounted without the consent of a majority of the directors present, exclusive of such directors whose names or firms shall appear as drawers, or endorsers of the same.

“ART. 9.—The cashier shall superintend the concerns of the Bank in general, and shall on every discount day, lay a concise statement of its concerns before the board.

“ART. 10.—There shall be a committee appointed once in each year or oftener, if the directors require it, to examine all the accounts of the institution, and to count the cash on hand, and report their doings under this section to the board.

“ART. 11.—The president and cashier are hereby authorized to discount paper on other than the regular discount days, whenever they may think the interest of the institution require it, with the consent of the resident directors, provided the paper so discounted shall be submitted to the board for their consideration at their next meeting.

“ART. 13.—No note over \$4,000 can be discounted at one time, for any person whatever.

“ART. 14.—The cashier and clerks of the Bank shall respectively, before they enter on the duties of their offices, give bond with two or more sufficient securities, jointly and severally to be approved by the directors, for the faithful performance of the trust reposed in them, that is to say, the cashier in the sum of \$30,000, with a bond of two or more sufficient sureties in like sum, the principal clerk in the sum of \$15,000, and each subordinate clerk in the sum of \$10,000; but neither the president nor any of the directors will be received as surety.

“ART. 25.—No note shall be discounted for parties living out of the State, unless the name of at least one responsible individual is given as an endorser, who resides within the State.

“ART. 29.—None of the foregoing rules and regulations shall be rescinded or altered, unless at a meeting of the board consisting of two-thirds of the directors of the bank, and after notice given of any proposed alteration.”

William L. Post recalled.

The paper of by-laws now in the hands of the Commissioners, is in the hand writing of Mr. Biddle, the former President of the Bank. I believe these to be the original by-laws of the Bank adopted by the directors. [Papers shown witness as follows:]

1. Deposition of C. P. Delamatter, with papers attached.

2. Answer of W. L. Post to complaint of A. St. John, in a suit in Supreme Court of New York.

3. Replication of St. John (Ansel) to answer of W. L. Post above.

Witness proceeds:—

The copies of agreements, exhibits, letters, and papers contained in, and accompanying the above-stated deposition, answer, and replication, are accurate copies to the best of my knowledge. The papers alluded to I know, and have had knowledge of from my connection with the bank and its transactions. I except from my evidence, however, the alleged agreement of 19th August, 1844, contained in the above replication of which paper I have no recollection.

D. M. Bull sworn.

After the suspension in 1843, the Susquehanna Bank notes were at a discount of 50 per cent. in this county. I lived then in Towanda, and still live there. It continued at about that discount until the bank was rescuscitated under the St. Johns. I know of some of the Susquehanna money being sold as low as twenty-five cents on the dollar. A great deal of the Susquehanna money was in circulation in Bradford county, at the time of the suspension.

I was one of the bail of Kellum in his bond as cashier. Suits were brought upon this bond by the bank. Mr. Post, the president of the bank, proposed, in the name of the Board of Directors, to settle the suits for \$900. He came to Towanda and made the proposition. This proposition I declined, as one of the bail. Subsequently I consented, on behalf of the bail, to settle for \$700. This was accepted by the bank, and the whole matter settled. The damages claimed in the actions were \$30,000. The bail were O. D. Bartlett, E. S. Goodrich, Perrin Wells, and myself, and were responsible to an amount exceeding the face of the bond.

Extracts from Transfer Book of Stock.

Assignee.	Assignor.	Shares.	Date.
J. C. Biddle & Co.	J. C. Biddle,	353	27th April, 1839.
"	Daniel Searle,	180	"
"	Isaac Post,	296	Blank (1839).
"	Josiah Blackman,	50	17th Dec., 1838.
"	Wm. L. Post,	198	25th April, 1839
"	C. L. Ward, for self & others,	405	9th Oct., 1839.
"	Leonard Searle,	70	17th December.
"	R. Searle	30	17th Dec. 1838.
"	S. S. Mulford,	88	"
"	Wm. Jessup,	147	"
Wm. Jessup & Co.	Isaac Post,	3	29th Jan., 1842.
		<hr/> 1,820	
Nicholas Overfield,	J. C. Biddle & Co.,	40	No date.
Milton Harris,	"	4	"
Rachael B. Phelps,	"	5	"
Horace G. Phelps,	"	10	"
Sherman D. Phelps,	"	6	"
Moses C. Tyler,	"	5	"
Eno & Phelps,	"	10	"
Jesse Lane,	"	2	"
Wm. Jessup,	"	8	"
Leonard Searle,	"	15	"
Norman J. Post,	"	3	"
Samuel C. Paxon,	"	2	"

Carried forward,

110

Brought forward,		110	
Wm. Ward,	J. C. Biddle & Co.,	10	12th Dec., 1838.
B. G. Grover,	"	6	"
Francis Somers,	"	2	"
Calvin Somers,	"	2	"
John Brock & Co.,	"	10	17th Dec., 1838.
C. L. Ward,	"	5	8th Oct., 1839.
Wm. L. Post,	"	4	"
S. S. Mulford,	"	2	"
Wm. Jessup,	"	2	"
Henry Drinker,	"	2	"
James C. Biddle,	"	2	"
George Walker,	"	10	17th Dec., 1838.
H. J. Webb,	"	5	"
Henry Drinker.	"	10	"
		<hr/>	
		182	
Allen & Paxon,	J. C. Biddle & Co.,	300	25th Sept., 1839.

[Entry on margin—"The certificate issued in this assignment is returned cancelled, and the stock is in the account of J. C. Biddle & Co.

"J. S. KELLUM, *Cashier.*"]

Montrose, Nov. 27, 1843.

In pursuance of a resolution of the Board of Directors, we do hereby transfer all the stock of the Bank of Susquehanna County standing on the stock ledger, in the name of J. C. Biddle & Co. or Wm. Jessup & Co. (no certificates having been issued therefor; and the stock standing in the name of James C. Biddle & Co., being by the company directed to be thus transferred) to the Bank of Susquehanna County.

(Signed)

WM. JESSUP & CO.

[Across the above is written, in red ink, the following:—Sixteen hundred and thirty-three shares standing in the name of J. C. Biddle & Co.; three shares standing in the name of Wm. Jessup & Co.]

		Shares.	
Bank of Susquehanna County,	Azur Lathrop,	2	19th Aug., 1844.
A. St. John & St. John & Goddard,	H. Drinker,	4	"
"	Do. as adm'r of J. C. Biddle,	11	"
"	W. C. Ward,	1	"
"	Seth Mitchell,	1	"
"	Wm. L. Post, att'y for		
	G. H. Knapp,	2	"
T. P. St. John,	Wm. L. Post, att'y for		
	Milton Harris,	3	9th April, 1850.
"	Wm. L. Post, att'y for		
	N. Ormfield,	13	"
"	Wm. L. Post, att'y for		
	S. D. Phelps,	8	"
"	William L. Post,	4	"
"	M. S. Wilson,	3	"
"	Wm. Ward,	3	"
"	Isaac Post,	6	"
"	George Walker,	3	12th April, 1845.

Carried forward,

64

Brought forward,		64	
T. P. St. John,	H. J. Webb,	2	9th April, 1845.
"	Daniel Searle,	5	"
"	Leonard Searle,	10	
"	S. S. Mulford,	11	"
"	C. L. Ward,	2	26th April, 1845.
"	F. B. Chandler,	4	30th "
A. St. John,	W. L. Post, presid't bank,	120	9th "
T. P. St. John,	S. Meylert,	1	15th May, 1845.
"	Wm. L. Post, presid't bank	66	10th July, 1845.
		<hr/>	
		285	

Bank,	Henry Drinker, col. security for note,	4 shares,	23d Nov., 1841.
"	W. L. Post, att'y for John Broek & Co.,	3 "	10th May, 1845.
"	Wm. L. Post & Daniel Searle, being original stock of F. Lusk, assigned to us for the b'k,	20 "	30th Oct. 1849.
		<hr/>	
		27	
		<hr/>	

Wm. L. Post, recalled.

The entry, in red ink, across the resolution of 13th February, 1847, was made by me about the 5th September, 1849, which was the first time I had read the resolution on the record. Subsequently, perhaps in October, Mr. Avery also signed my entry across the resolution. The minute book was kept in the safe of the bank. I had access to it at all times. I had the book a number of times between 13th February, 1847, and 5th September, 1849, but had not actually read in it the resolution alluded to of the former date. My entry across the resolution in 1849, was my recollection of the actual understanding of the matter in February, 1847.

When St. John came in, five hundred shares of the surplus stock was entered on the transfer book to T. P. St. John, and stood in his name in trust for the Bank; five hundred other shares of the surplus stock was entered and stood in the same way in my name. Nothing was done subsequently with this one thousand shares of stock. Notes were given by T. P. St. John and myself, to represent this stock; one note by each of us, and each note \$25,000. No certificates issued for the surplus stock after the resuscitation of the Bank. I do not know what has become of St. John's note above stated. It is not in the Bank now that I can find. My note is cancelled, and the stock it represented being transferred to me in trust, as above stated, the bank is the actual owner thereof. This transaction in regard to the surplus stock, was to make up nominally the whole amount of capital stock of the Bank, in order to keep its accounts and statements in proper order and form.

Monday, July 1, 1850.

Extract from Stock Ledger, page 24.

STOCK TO THE BANK.

1841.—Nov. 23,	By H Drinker,	4 shares.	\$200 00
1843.—Nov. 27,	Wm. Jessup & Co.,	3 "	150 00
"	J. C. Biddle & Co.,	1,633 "	81,650 00
1844.—Aug. 19,	A. Lathrop,	2 "	100 00
1845.—April 9,	J. C. Biddle & Co.,		
	Dec. 17, 1838,	2 "	100 00
May 10,	J. Brock & Co.,	3 "	150 00
		<hr/>	
		1,647	<hr/>
			\$82,350 00

STOCK FROM THE BANK.

1845.—April 9,	To Ansel St. John,	120 shares,	\$6,000 00
May 15,	Wm. L. Post,	500 “	25,000 00
“	T. P. St. John,	500 “	25,000 00
July 10,	T. P. St. John,	66 “	3,300 00
		<u>1,186</u>	<u>\$59,300 00</u>

Witness.—Some transfer of stock not posted to the above account.

Same Book—Page 29.

STOCK TO ST. JOHN & GODDARD.

1844.—Aug. 19,	By Henry Drinker,	4 shares,	\$200 00
“	H. Drinker, acc't of		
	J. C. Biddle,	11 “	550 00
“	Wm. C. Ward,	1 “	50 00
“	Seth Mitchell,	1 “	50 00
“	Geo. F. Knapp,	2 “	100 00
1845.—Aug. 6,	T. P. St. John,	41 “	2,050 00
		<u>60</u>	<u>\$3,000 00</u>

STOCK FROM ST. JOHN & GODDARD.

1845.—Nov. 24,	To Wm. C. Goddard,	60 shares,	\$3,000 00
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STOCK TO THOS. P. ST. JOHN.

1845.—April 9,	By Milton Harris,	3 shares,	\$150 00
“	N. Overfield,	13 “	650 00
“	Isaac Porter,	1 “	50 00
“	S. D. Phelps,	8 “	400 00
“	W. L. Post,	4 “	200 00
“	H. I. Webb,	2 “	100 00
“	Wm. Ward,	3 “	150 00
“	M. S. Wilson,	3 “	150 00
“	Daniel Searle,	5 “	250 00
“	Isaac Post,	6 “	300 00
“	Leonard Searle,	10 “	500 00
“	S. S. Mulford,	11 “	550 00
“ 12,	Geo. Walker,	3 “	150 00
“ 26,	C. L. Ward,	2 “	100 00
“ 30,	F. B. Chandler,	4 “	200 00
May 15,	B'nk of Susquehanna Co.	500 “	25,000 00
“	S. Meylert,	1 “	50 00
July 10,	Wm. L. Post, P. T.,	66 “	3,300 00
		<u>645</u>	<u>32,250 00</u>

Transfer Book :—

15th May, 1845.—W. L. Post, President of the Bank of Susquehanna County, assigns to T. P. St. John “500 shares in trust, &c.”

Same date.—T. P. St. John, Cashier of the Bank of Susquehanna County, assigns to W. L. Post “in trust, &c., 500 shares.”

Wm. L. Post, recalled.

Before the St. Johns' came into the Bank, 365 shares were held by individual stockholders in their own right, and 1,635 shares by the Bank, under the surrender to it by the stock company. One-third of the 365 shares held by individuals was transferred by them to the St. Johns' & Goddard, leaving 244 shares held by individuals here. There were transferred in 1844 and 1845, by individuals to the bank, seven additional shares, but three of these shares by John Brock & Co., were part of the one-third of the individual shares transferred, as above stated, to St. Johns' & Goddard. Subsequently, Wm. L. Post and Daniel Searle surrendered to the bank 20 shares transferred to them by F. Lusk, 1st September, 1841, for the bank. The transfer to the bank, by Searle and Post, of these 20 shares, is dated 30th October, 1849. The transfer of the one-third of the 365 shares to St. Johns' & Goddard by individuals, was a gratuity, and without payment of any sum by the assignees.

The whole number of shares transferred by the bank and by individuals to the St. Johns & Goddard, was 284 shares. The said assignees have subsequently transferred a portion of their stock to others, as the transfer book shows.

The bank, after these transfers and arrangements, held one thousand four hundred and sixty-five shares of its own stock, as I make the calculation from the books. The transfers of stock to the St. John's & Goddard, stand as follows :

							<i>Shares.</i>
By individuals,	-	-	-	-	-	-	98
By bank,	-	-	-	-	-	-	120
By do.	-	-	-	-	-	-	66
							<hr/>
							284

The 120 shares, amounting to \$6,000, was sold to St. Johns' & Goddard for \$3,000, under the arrangement with them for the resuscitation of the bank. A part of the sixty-six shares was transferred to make up the deficiency in the one-third of the three hundred and sixty-five shares not made up by the individual stockholders. That one-third would be 121 shares; and as 98 shares only were transferred to them by individuals, 23 shares were wanting to make up the amount. This 23 shares, taken from the 66 above stated, as transferred by the bank, leaves 43 shares. This is my recollection, and the way it appears on the books. The 43 shares were sold the St. Johns on the same conditions as the 120. They paid into the bank this amount. My recollection is it was \$1,000; but 43 shares at that rate would amount to \$1,075. The 23 shares transferred by the bank, to make up the deficiency in transfers by individuals, was a gratuity to the St. Johns' and Goddard, under the agreement with them. I don't recollect whether certificates of stock issued to St. Johns' & Goddard, for the stock transferred to them by the bank; but I suppose certificates did so issue to them.

The contract with S. H. Mann, alluded to in the resolution of the directors, of 7th September, 1846, is not now in the bank, nor have I any copy of it. There is a contract now in the bank signed by Mann alone, never executed by the bank. I do not know where the first contract is.

The issue book of the bank shows that \$100,000, in notes of the Bank of the denomination of \$5, were credited to bank note account, of the date of 16th February, 1847. The dates of all the notes, 1 November, 1845. These notes were filled up with red ink, and duly executed. The numbers run from 1,001 to 6,000, and the payee, in all, Wm. Wirt or Henry Clay. I cannot state what amounts were issued to Mann. The cash book of the date of the transaction with Mann is not to be found. In April, 1849, \$20,000 more of notes is credited to bank note account, as filled up in red ink, and marked "A," of the denomination of \$5's. Whether these notes were actually issued to Mann, I cannot state. At the time of the failure of the bank, T. P. St. John stated to me that the amount in the hands of Mann was \$70,000. This statement agrees nearly with the entries on the cash book, when Delamatter was

cashier. That cash book runs from August till in October, 1849. I do not know of any other notes than those I have spoken of filled up, corresponding to the contract with Mann.

The first contract was for \$100,000, and upon the same terms and conditions as a subsequent contract with Ansel and Thos. P. St. John. None of the Mann issue of notes has been returned to the bank since its failure. It was the first contract with Mann that was adopted, in the resolution of the directors, 7th September, 1846.

The whole amount of \$20,000 was issued to the St. Johns', under the contract with them, dated 5th September, 1849. \$8,000 of this issue was returned to the Bank about the time of the failure. The other \$12,000 is out. The notes issued to the St. Johns' are designated by being filled up with the name of "David Bates," as payee.

Extracts from Discount Book :

21st May, 1849.—Paid Wm. Bradley \$20,000 note, signed by Bradley and others, endorsed E. A. Thompson.

23 May, 1849,					
Paid W. Q. Hodgson	-	-	-	-	\$2,500 00
4 June, 1849,					
" Peter Voorhies	-	-	-	-	2,500 00
11 June, 1849,					
" J. C. Brown,	-	-	-	-	2,500 00
25 June, 1849,					
" Wm. Bradley	-	-	-	-	2,500 00
2 July,					
" Wm. Bradley, endorsed by Furness & Thompson					2,500 00 — \$32,500 00
					<hr/>
					\$12,500 00

The \$20,000 note, above stated, is now in the possession of the bank, and unpaid. I don't know whether it is collectable or not. The other five notes, as far as I know, are in hands of Ansel St. John.

From Discount Book.

16 July, 1849.					
Paid J. C. Brown	-	-	-	-	\$2,500 00
" Robert Merrill	-	-	-	-	2,500 00

These are in the same category as the former notes.

30 July, 1849.					
Paid W. Q. Hodgson	-	-	-	-	2,500 00
" P. Voorhies	-	-	-	-	2,500 00

These two notes are possibly renewals of former notes, before stated.

At the time of the failure, the whole amount of the circulation of the bank was a little over \$200,000. This was the amount of the notes out of the bank. The amount of the circulation, independent of the contracts, was between fifty and sixty thousand dollars.

Sixty-five thousand dollars of the notes of the bank had been issued to E. A. Thompson, unauthorized by the Board of Directors, and without my knowledge or consent. The form of a contract between the bank and Thompson, was found in the safe at the time of the failure, similar in its terms to the contracts with S. H. Mann and the St. Johns. It was signed only by Thompson, and was never sanctioned or known either by the Board of Directors or myself.

The \$65,000 issue to Thompson was in 1849.

The entries in the cash book kept when Delamatter was cashier, show that \$29,000 issued to E. A. Thompson prior to August 10, 1849. Delamatter was elected on the

4th August, 1849. The entry of the issue of \$29,000 appears first in cash book, the 10th August, 1849, under this date. The statements in the cash book were made up at irregular periods, varying from two to four and six days.

The last statement in the cash book, before that of August 10, 1849, bears date August 4, 1849. The amount of issues to Thompson is carried forward, and appears in the subsequent entries; the increase in the issue is thus shown:

August 16, 1849,	aggregate amount	-	-	-	\$30,000 00
September 11, "	"	-	-	-	35,000 00
" 15, "	"	-	-	-	50,000 00
" 18, "	"	-	-	-	55,000 00
" 20, "	"	-	-	-	60,000 00
November 3, "	"	-	-	-	65,000 00

This is the last entry in the cash book.

The entry in same book as to Mann issue:

July 21, 1849,	-	-	-	-	-	-	-	-	\$75,000 00
" 26, "	-	-	-	-	-	-	-	-	85,000 00
August 31, "	-	-	-	-	-	-	-	-	77,000 00
October 13, "	-	-	-	-	-	-	-	-	73,000 00

Amount at close of cash book.

The cash book shows no entry of the \$20,000 issued under the contract with the St. Johns'.

The issue book shows that notes to the amount of \$20,000 were filled up, and dated September 5, 1849, with name of David Bates, payee. The issue book referred to does not show when these notes went into circulation; generally it does show when notes went into circulation.

An endorsement on the contract with the St. Johns' shows that \$8,000 of the \$20,000 issued to them were returned March 1, 1849, to the bank. The receipt is signed by me.

Extracts from Bank Ledger, page 167, &c.

GODDARD & ST. JOHN, DR.

1849.—May 26,	To E. A. Thompson	-	-	\$2,453 12
" "	"	-	-	2,500 00
July 18,	"	-	-	47 00
Balance of account carried to account of Ansel St. John.				

ANSEL ST. JOHN, DR. *Page 168, &c.*

1849.—August 4,	To W. Q. H., 21st and 24th July, (\$8,029 52)	408 12
“ 25,	W. Q. Hodgson, note - - -	2,500 00
“ “	W. Bradley, “ - - -	2,500 00
“ “	P. Voorhies, “ - - -	2,500 00

ANSEL ST. JOHN, CR.

1849.—August 14,	By E. A. T.	-	-	1,000 00
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ALLEN & PAXON, DR. *Page 40—41.*

1837.—December 17,	To Dep. J. C. Biddle	-	-	60,000 00
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ALLEN & PAXON, CR.

1839.—January 7, 14	By specie, per J. C. B.	-	-	11,655 37
March 4,	special loan	-	-	48,344 63
July 13	"	-	-	15,000 00

SPECIAL LOAN, (STOCK CO. ACCOUNT.), DR.

1839.—November 4	To Allen & Paxon	-	-	48,344 63
	" "	-	-	15,000 00
1845.—February 21	eleven sundry notes	-	-	22,000 00

\$85,344 63

CR.

1845.—February 21	By J. Biddle & Co. and Wm. Jessup & Co.			\$81,750 00
	Balance account	-	-	3,594 63

\$85,344 63

Dr. To Balance of account - - 3,594 63

Adjourned.—Afternoon, July 2, 1850.

Ledger, page 56.

BANK OF SUSQUEHANNA CO. (STOCK), DR.

1845.—Feb. 21,	To J. C. Biddle & Co. and Wm. Jessup & Co.,	1,635 shares	\$81,750 00
April 9,	Wm. Jessup & Co.	3 "	150 00
June 23,	L. B. Hinds,	3 "	66 67

\$81,966 67

CR.

1845.—May 10,	By cash,	120 shares	\$3,000 00
" 26,	"	1,000 "	50,000 00

\$53,000 00
William L. Post, recalled.

At the time of the failure of the Bank its assets were as follows:

Cash in Bank—

Bank notes, good	-	-	-	-	\$5 00
Specie, including an amount repaid by Delamatter	-	-	-	-	42 56

\$47 56

Debts due the Bank—

C. Cushman, notes and judgments, since paid	-	-	-	\$371 25
C. L. Ward, notes and checks, "	-	-	-	1,356 41
Wm. Ward, notes, good, \$1,500 since paid	-	-	-	3,163 96
E. G. Babcock, good, two notes taken by St. John	-	-	-	652 35
S. B. Townsend, note and draft, since paid	-	-	-	2,000 00
H. Tupper, judgment, "	-	-	-	135 00
N. J. Post, note, "	-	-	-	600 00
Lathan Gardner, note, "	-	-	-	600 00
C. Sturdevant " "	-	-	-	50 00
D. Sponenberk, judgment, in collection, doubtful	-	-	-	44 00
Samuel R. Smith, note, since paid	-	-	-	150 00
Samuel Sutton, judgment, unsettled	-	-	-	10 00
E. Taylor, note, in collection, doubtful	-	-	-	95 00
Wm. Foster, note, since paid	-	-	-	200 00
A. Beardsley, note, good	-	-	-	100 00
B. P. Daniels, note, since paid	-	-	-	100 00
P. Avery, note, in collection	-	-	-	150 00
B. Case, " mostly paid since	-	-	-	146 67
F. A. Ward, two notes, supposed good	-	-	-	380 00
Geo. W. Stevens, note, since paid	-	-	-	250 00

Asa Dimoek, note, since paid	-	-	-	-	206	13
L. N. Smith, " good	-	-	-	-	286	38
Wm. Hartley, " "	-	-	-	-	500	00
Joseph Waters, " "	-	-	-	-	500	00
Wm. Fordman, " "	-	-	-	-	60	00
John Baker, " since paid	-	-	-	-	600	00
Isaac Porter, " balance, good	-	-	-	-	58	00
B. Hossan, " balance, in collection, doubtful	-	-	-	-	150	00
Peter Byrne, " - -	-	-	-	-	33	65
John H. Dimoek, " - -	-	-	-	-	210	52
David R. Street, " since paid	-	-	-	-	50	00
Keeler & Catlin, judgment, in collection, good	-	-	-	-	100	00
H. N. Nagley, balance on judgment, since paid	-	-	-	-	54	00
John Baker, " " "	-	-	-	-	40	00
I. L. Post & Co., note, since paid	-	-	-	-	1,000	00
J. T. Shearer, " "	-	-	-	-	86	34
Barker, Benton & Co., in collection, \$940 since paid	-	-	-	-	1,940	00
F. C. Bliss, note, (in hands of A. St. John) doubtful	-	-	-	-	116	50
S. Barthorlf, balance on note, since paid	-	-	-	-	51	07
J. C. Brown, note	} in hands of Ansel St. John	\$2,500	00			
Wm. Bradley, "		2,500	00			
R. Merrill, Jr., in N. Y., "		2,500	00			
P. Voorhies, "		2,500	00			
W. Q. Hodgson, "		2,500	00			
					<hr/>	12,500 00
J. E. Furness, draft, said to be in renewal of notes	-	-	-	-	20,000	00
E. & A. Paeker, note (in hands St. John & Goddard)	-	-	-	-	400	00
Joseph Paxon " " "	-	-	-	-	114	37
Lewis B. Butler, two notes, poor, a clerk of A. St. John	-	-	-	-	2,229	84
Henry Randall, note, no endorser, poor. He is now in California	-	-	-	-	3,469	70
S. H. Mann " money deposited here to pay it	-	-	-	-	242	21
Wm. D. Dennison, note, since paid	-	-	-	-	50	00
John Ellis, note, good	-	-	-	-	50	78
Hamlet Hill " since paid	-	-	-	-	225	00
D. P. Sterling, note "	-	-	-	-	250	00
L. Hungerford " "	-	-	-	-	300	00
George Walker " "	-	-	-	-	100	00
S. Arnold " good	-	-	-	-	280	79
R. Scarle " since paid	-	-	-	-	50	00
O. Deans " "	-	-	-	-	40	00
George Pride " "	-	-	-	-	600	00
M. T. Jewell " "	-	-	-	-	234	00
Milton Harris " since paid	-	-	-	-	325	00
B. G. Ferris " "	-	-	-	-	105	05
Searle, Jones & Co., note, since paid	-	-	-	-	125	00
L. Gardners, check, since paid	-	-	-	-	200	00
T. Nicholson, draft, good	-	-	-	-	50	00
T. D. Sterling, check, since paid	-	-	-	-	273	00
L. Kemble, order	-	-	-	-	100	00
J. A. Smith, bond and mortgage, good	-	-	-	-	123	70
Candor property, good	-	-	-	-	5,000	00
Certificate of deposit in Cleveland bank, poor	-	-	-	-	4,500	00

Articles of personal property in Bank, about \$100. The foregoing, together with claim against Storm & Morgan of \$11,000, poor, and a claim in suit against Edward Miles, city of New York, for \$3,000, doubtful, and balance of \$100 against Headly & Wilson exchange account, collectable, constituted all the resources and assets of Bank at time of failure, that I recollect.

The amount due depositors was \$3,555, at the time of the failure. E. A. Thompson is represented as not a responsible man. He yet lives in Cincinnati. He represents that \$40,000 of the issue to him has not gone into circulation, and is ready to be returned.

William J. Turrell affirmed.

I went to Ohio with the view of looking into the situation and responsibility of the persons concerned in the Mann & Thompson loans. I did not get any money. I went as assignee of the bank, in company with Mr. Richards the other assignee. All I know of them is what I heard of their means before I left here, and what I learned there. We were told that Mr. S. H. Mann had gone to Chicago, and was worth nothing. From what we could learn, none of them were responsible; that Hodgson, Furness, and I think Merrill, had failed altogether. As assignees, Mr. Richards and myself have received nothing.

Wednesday, July 3d, 1850.

Wm. L. Post, again.

The individuals composing the stock company, never received any profit on their surplus stock in the way of dividends or otherwise.

The stock notes given by T. P. St. John and myself, were drawn payable to the Bank, and on their face showed for what they were given, and their object, and stated that a re-transfer of the stock would cancel the notes. The arrangement about these notes was between T. P. St. John and myself. The directors never took any action with reference to these notes. My note is probably among the papers of the Bank, but I do not know where to find it.

During the suspension in 1843-4, the notes of the Bank were generally received by the business men in this borough at their face, in the way of trade. They do not now pass at any rate. They are of no value as a currency.

O. G. Hempsted, sworn.

On Monday of the failure of the Bank, the president of the Bank and T. P. St. John, stated to me that these were ample assets to pay all note holders and other claimants upon the bank, and wished me to say so in my newspaper, and caution the public against sacrificing upon the notes. This conversation was in the banking house.

DOCUMENTS AND PAPERS.

Proposition to the Directors of the Bank of Susquehanna County, by St. John and Goddard, and A. St. John.

St. John & Goddard, and A. St. John, will take charge of the Bank, and resuscitate its credit and business, by loaning an amount of money sufficient to accomplish that object, at 6 per cent. interest, to be repaid when the funds of the institution may allow, provided the gentlemen now interested in the bank will do as follows, viz.:

- 1st. Assign to St. John & Goddard, and A. St. John, \$6,000 of the original stock.
- 2d. Sell to St. John & Goddard, and A. St. John, \$6,000 of the new stock for \$3,000 cash.
- 3d. The original stockholders to raise or control of loans and deposits \$2,500, for the term of twelve months, at 6 per cent. interest.
- 4th. Extend for nine months the debt of \$2,500 due to Eno & Phelps, at 7 per cent.

5th. Arrange, in some satisfactory form, to give the business management and control of the Bank to St. John & Goddard, and A. St. John, and the nomination and election of eight members of the board, should they at any time require it.

Philadelphia, 21st May, 1844."

LETTER AND PROPOSITION OF WILLIAM L. POST.

"After consulting with others interested in this institution, I am enabled to make the following proposition, which varies but little from yours, and one which, I trust, will be satisfactory to you; and it is decidedly more favorable than I should have been able to have made, had not the negotiation gone so far as it has. The directors are disposed to bring the matter to a close.

"1st. By giving to St. John & Goddard and A. St. John, \$5,000 of the original stock of the Bank.

"2d. Will sell to them \$6,000 of the new stock, for 83,000, cash.

"3d. St. John & Goddard and St. A. John, shall take charge of the institution, and reinstate its credit and business, by loaning to the Bank an amount of money sufficient to accomplish the object, at 6 per cent. interest, to be repaid when the funds of the bank may allow, without injury to its property.

"4th. Will give, in some satisfactory form, the business control, and, if at any time required, a majority of the Board of Directors to A. St. John & Goddard and A. St. John.

"5th. In relation to controlling loans and deposits, we cannot agree to do any thing definitely; but will, as parties interested in the Bank, do all in their power for said Bank that is possible for them to do, and will endeavor to get the loan of Eno & Phelps extended as long as they can. No definite answer could be got of them, relative to a renewal, when I was in the city. But Mr. Phelps will be here before the notes become due, when I think there will be no difficulty in the matter."

Extract from William L. Post's Letter of July 9, 1844.

The said William L. Post stated, in substance, that he had succeeded, to-day, in getting a decision, by those interested in our institution, to your proposition: that they had authorized him, the said Post, in their behalf, to accept your proposition, as made to said Post when in Philadelphia.

PROPOSAL.—DIRECTORS TO ST. JOHN & GODDARD AND A. ST. JOHN.

"The undersigned, Directors and Stockholders of the Bank of Susquehanna County, do agree to give Ansel St. John, Thomas P. St. John, and William C. Goddard, their heirs and assigns, the business management and control of this institution during the continuance of the charter, and allow them to have the nomination and election of eight members of the Board of Directors, such as they may designate at any or every future election for directors—in consideration of their taking charge of the Bank, with a view of reinstating its credit and business, according to their proposition lately made to the board, and agreed upon: and further, we do severally agree and stipulate, not to assign, or transfer, the stock we may hold in the said Bank, except under, and subject to the above agreement."

[Signed by Wm. L. Post, M. S. Wilson, and others, stockholders].

LETTER OF ATTORNEY.

Know all men by these presents: That we, the undersigned, do hereby nominate and appoint E. A. Thompson, of Cincinnati, Ohio, to be our sufficient and lawful Attorney, to act for us in the purchase of the whole, or any portion, of the capital stock of the Bank of Susquehanna County, at Montrose, Pa., or the stock of any other bank he may deem proper; and in case of the purchase of said first-named stock, or any other, we authorize our said attorney to have said stock transferred to himself, as attorney, or otherwise, as he may deem best; and also to have us elected directors

of such bank, if he thinks best for our interest; and, in case of such election, then we authorize him to vote for us, and in our place and stead, at any and all meetings of its Board of Directors, and to do any and all acts and things as fully and completely in the premises as we might or could do, if personally present. Hereby ratifying and confirming all the acts of our said attorney in the premises,

Witness our hands and seals, this 12th day of May, 1849.

W. Q. HODGSON, [SEAL.]
W. BRADLEY, [SEAL.]
JAMES E. FURNESS, [SEAL.]

Endorsed,

W. Q. HODGSON, W. BRADLEY, AND J. E. FURNESS,

Power of Attorney to E. A. Thompson.

STATEMENT; ST. JOHN TO THOMPSON.

NEW YORK, 22d May, 1849.

The subscribers certify that they have at their control and disposal fifteen thousand dollars, in the capital stock of the Bank of Susquehanna County, at Montrose, Pa., which is full stock on the books of said bank, and which we do hereby stipulate, and agree, to convey to E. A. Thompson, Esq., of Cincinnati, on demand, or to such person or persons as he may direct, in consideration of twenty-two thousand five hundred dollars, to us in hand paid this day.

A. ST. JOHN,
T. P. ST. JOHN.

\$20 000

NEW YORK, 22d May, 1849.

Ninety days after date, for value received, we, jointly and severally, promise to pay E. A. Thompson, or order, at the Bank of Susquehanna County, Pa., twenty thousand dollars with interest.

WM. BRADLEY,
By E. A. THOMPSON, *Attorney.*
W. Q. HODGSON,
By E. A. THOMPSON, *Attorney.*
JAMES E. FURNESS,
By E. A. THOMPSON, *Attorney.*
E. A. THOMPSON.

(Endorsed on the back,)

"E. A. THOMPSON,
"836."

Filed,

"WM. BRADLEY, &c.,

"\$20,313 34.

"Aug. 20-23, 1849."

MONTROSE, PA., May 28th, 1849.

No.

Bank of Susquehanna County,

Pay to B. D., or bearer—

100 dollars.

\$20.000

WM. BRADLEY, and others.
By BANK.

THOMPSON CONTRACT.

This agreement, made and concluded this 30th day June, A. D. 1849, by and between the Bank of Susquehanna County, of the State of Pennsylvania, by Wm. L. Post, their President, parties of the first part, and Egbert A. Thompson of Cincin-

nati, in the State of Ohio, party of the second part—*Witnesseth*, That the parties of the first part, for value received, and in consideration of the covenants and agreements hereinafter stipulated and mentioned, have loaned and hereby do loan to the party of the second part, the notes or bills of circulation of said bank, to the amount of ninety thousand dollars (\$90,000). And the party of the second part covenants and agrees so to use the notes aforesaid, as to obtain for them, as far as possible, such circulation as shall best prevent their return home for redemption. That he will provide for the redemption of said bills as they may be returned for such purpose, at the city of New York, and at the rate of discount at which the agents of the said bank in said city redeem them. That when so redeemed, said notes shall be returned to the party of the second part for re-circulation. That said party of the second part will keep an accurate account of all sums by him or by his agents put in circulation, and will from time to time, semi-annually, report the same to said parties of the first part. That said party of the second part will pay to said bank, semi-annually from the date hereof, interest at the rate of two per cent. per annum, on all sums actually in circulation in the use of said party of the second part; and all said notes in possession of said party of the second part, or in the hands of his agents, or in transit, shall be deemed out of circulation and not in use. And it is further agreed, that the bills issued by said bank shall always be received at par by the parties of the first part, or their agents, in payment of any and every indebtedness of said party of the second part, arising under this contract. And it is further agreed, that the sum hereinbefore mentioned, or notes furnished for circulation, may from time to time be increased, both parties consenting, and if so increased, it shall be deemed and taken under the stipulations and conditions of this agreement. And if for any cause other than the fault of the parties of the first part, the party of the second part should fail to redeem, as herebefore provided, the notes put in circulation by him, for the space of sixty days after written notice of such failure, then this contract may be annulled by the parties of the first part, and thereupon the whole sum loaned to the party of the second part shall become due and payable. To distinguish the notes put in circulation by the party of the second part, such notes shall be filled with the name of the payee in his handwriting, or that of some person employed by him; or marked with the letter Q, directly over the letter Q, in Susquehanna, on the face of the bills; and for all worn and mutilated notes at any time returned to the Bank, new ones to an equal amount shall be given in exchange, and such returned notes shall be effectually cancelled and burned.

It is further agreed mutually, that this contract shall be and remain in force (unless forfeited as hereinbefore provided) for and during the space of one year after the receipt of a written notice by the party of the second part from the president of the Bank, or a wish on the part of the Bank to discontinue the arrangement herein made; and to prevent all misconception, it is hereby declared that this agreement is a simple contract for loaning money, and in no wise to be deemed or taken as establishing an agency.

Witness the signature of Wm. L. Post, president of the Bank of Susquehanna County, and the seal of the corporation parties of the first part, and the hand and seal of the party of the second part.

[In duplicate.]

(Signed) E. A. THOMPSON. [SEAL.]

ST. JOHNS' CONTRACT.

This agreement, made and concluded this fifth day of September, A. D. 1849, by and between the Bank of Susquehanna County, of the State of Pennsylvania, by William L. Post, their President, parties of the first part, and Thomas P. St. John and Ansel St. John, parties of the second part, *Witnesseth* :—

That the parties of the first part, for value received, and in consideration of the covenants and agreements hereinafter stipulated and mentioned, have loaned and hereby do loan to the parties of the second part, the notes or bills of circulation of said bank, to the amount of twenty thousand dollars (\$20,000), and the parties of the second

part covenant and agree so to use the notes aforesaid, as to obtain for them, as far as practicable, such circulation as shall best prevent their return home for redemption. That they will provide for the redemption of said bills as they may be returned for such purpose at the city of New York, and at the rate of discount at which the agents of said bank in said city, redeem them. That when so redeemed, said notes shall be returned to the said parties of the second part without delay, for re-circulation. That the said parties of the second part will keep an accurate account of all sums by them or by their agents put in circulation, and will from time to time, semi-annually report the same to the said parties of the first part.

That the parties of the second part will pay to the said bank, semi-annually, from the date hereof, interest at the rate of two per cent. per annum (2 per cent.) on all sums actually in circulation and use of the said parties of the second part; and all said notes in possession of said parties of the second part, or in the hands of their agents, or in transit, shall be deemed out of circulation and not in use.

And it is further agreed, that the bills or circulating notes issued by said bank, shall always be received by the parties of the first part, or their assigns, at par, or for the full sum expressed on the face of said bills, in payment and liquidation of any and every indebtedness arising under this contract; and if for any fault other than the fault of the parties of the first part, the parties of the second part should fail to redeem, as hereinbefore provided, the notes put in circulation by them, for the space of sixty days after written notice of such failure, then this contract may be annulled by the parties of the first part, and thereupon the whole sum loaned to the parties of the second part shall become due and payable. To distinguish the notes put in circulation by the parties of the second part, such notes shall be filled with the name of David Bates, as payee, in the handwriting of the parties of the second part, or by some person employed by them for that purpose; but the numbers and date (which last shall be September 5th, 1849,) shall be filled by some person employed on the part of the parties of the first part. No other notes or bills of circulation of said bank being filled up now, nor shall any other notes or bills of circulation be hereafter filled up with similar numbers, date, and name of payee, except as hereinafter provided; and for all old, worn, and mutilated notes to said bank, by said parties of the second part, new ones shall be given in exchange to an equal amount, and filled up in a similar manner, and such returned notes shall be immediately and effectually cancelled or burned.

It is further agreed, mutually, that this contract shall be and remain in force (unless forfeited as hereinbefore provided) for and during the space of one year after the receipt of a written notice by the parties of the second part, from the president of the Bank of a wish on the part of the Bank to discontinue the arrangement herein made; and to prevent misconstruction, it is hereby declared, that this agreement is a simple contract for loaning money, and in no wise to be deemed or taken as establishing an agency.

Witness the signature of William L. Post, President of the Bank of Susquehanna County, and the seals of the Corporation, and the hands and seals of the parties of the second part.

Signed in duplicate,

Witness to William L. Post, and
T. P. St. Johns' signatures.

}

WILLIAM L. POST,

President of the Bank of Susquehanna
County. [SEAL.]

C. C. HALSEY.

T. P. ST. JOHN, [L. s.]
A. ST. JOHN, [L. s.]

Witness to the signature of A. S. John.

LEWIS B. BUTLER.

LETTERS OF A. ST. JOHN.

NEW YORK, 11th August, 1849.

C. P. DELAMATTER, Esq., *Cashier* :

DEAR SIR:—You have credit \$727 16, for package received with yours of yesterday, and on which we charge you \$3 42 for discount, as stated on the other side of this leaf. The express agent paid back to your credit this morning the 80 cents paid by me on the 9th instant.

I have delivered to E. A. Thompson, Esq., the notes of your bank, sent to my care, amounting to nineteen thousand dollars, and have paid him from my funds one thousand dollars in addition, for which latter sum you will please give me credit. The State Treasurer's package has been redeemed at par; it assorted as follows: \$6,000 bank issue, \$3,200 Mann's, \$2,300 Thompson's.

Yours respectfully,

A. ST. JOHN.

A line for T. P. enclosed.

NEW YORK, 15th August, 1849.

C. P. DELAMATTER, Esq., *Cashier* :

DEAR SIR:—You have credit \$600, per packages received with yours of the 14th instant, on which I charge you \$4 77 for discount.

Mr. Thompson is in New Haven; will return on Friday. I shall send you a package of your notes to-morrow by express to G. Bend, probably \$4,000 or \$5,000.

Yours respectfully,

A. ST. JOHN.

NEW YORK, August 23d, 1849.

C. P. DELAMATTER, Esq., *Cashier* :

DEAR SIR:—You have credit \$700 bank notes, per T. P. St. John, on which I charge you \$3 56 for discount.

You also have credit for the following acceptances, paid to-day, viz. :

W. Q. Hodgson, 20-23d August	-	-	-	\$2,500
W. Bradley	-	-	-	2,500
P. Voorhies	-	-	-	2,500

The acceptance of J. C. Brown for \$2,500, due 20-23d, has not been paid, but Mr. Thompson assures me of its payment in a few days.

I have this day sent by Rice & Peck's express a package to your address, containing \$500 bank notes of State Bank at Morris, which will be explained by Mr. Thompson's letter enclosed. You will please credit the same to my account.

Yours respectfully,

A. ST. JOHN, per T. P. ST. JOHN.

NEW YORK, 30th August, 1849.

C. P. DELAMATTER, Esq., *Cashier* :

DEAR SIR:—You have credit \$20 per check on Greenwich Bank, received in yours of the 27th instant, and \$900 per package with yours of the 29th instant, on which latter sum we charge \$4 22 for discount.

T. P. has L. B. Butler's new note.

Yours respectfully,

A. ST. JOHN.

P. S. I send for my credit New Jersey Bank notes	-	-	-	\$1,500
“ Susq. County do.	-	-	-	500

 \$2,000

NEW YORK, *Sept. 15th*, 1849.

C. P. DELAMATTER, ESQ., *Cashier* :

DEAR SIR :—You have credit \$400, sent with yours of the 14th instant, on which I charge you discount \$1 91.

The package for E. A. Thompson, marked to contain \$5,000, shall be sent forward as you direct.

Yours respectfully,

A. ST. JOHN, per T. P. S.

67 Wall Street, NEW YORK, *Sept. 18*, 1849.

C. P. DELAMATTER, ESQ., *Cashier* :

DEAR SIR :—Yours of the 17th instant, with a package containing \$1,150, which is at your credit. We charge you \$2 64 for discount thereon.

Yours respectfully,

A. ST. JOHN, per T. P. S.

P. S. Your package marked \$5,000, directed to E. A. Thompson, Cincinnati, as advised by you, has also been received.

NEW YORK, *Sept 21st*, 1849.

C. P. DELAMATTER, ESQ., *Cashier* :

DEAR SIR :—Yours of the 20th instant is received. You have credit \$950, for the package bank notes therein advised, and on which you are charged \$3 17 for discount. Your package marked to contain \$5,000, directed to E. A. Thompson, Cincinnati, has also been received, and will be forwarded by Green & Co. express, as you direct.

Yours, &c.,

A. ST. JOHN, per T. P. S.

NEW YORK, *22d September*, 1849.

C. P. DELAMATTER ESQ., *Cashier* :

DEAR SIR :—I send you to-day, by Rice & Peck's express, a package for my credit, containing \$1,500 in your notes, and \$500 in New Jersey notes. You have credit \$7 50 for discount on your paper.

Yours respectfully,

A. ST. JOHN.

NEW YORK, *25th September*, 1849.

C. P. DELAMATTER, ESQ., *Cashier* :

DEAR SIR :—Yours of the 22d and 24th instant have been received. You have credit for \$892 29, for remittance mentioned in the latter, and on which we charge you \$3 25 for discount. In the list of paper due to-day, which you direct me to hold without protest, you state two acceptances of J. C. Brown, whereas he has but one; and you leave out the acceptance of R. Merrill, Jr., for \$2,500; presuming that you intended to include this one, I shall hold it with the others.

Yours respectfully,

A. ST. JOHN.

NEW YORK, *Oct. 3d*, 1849.

C. P. DELAMATTER, ESQ., *Cashier* :

DEAR SIR :—You have credit \$1,060 per two packages received this morning, one of \$610, and the other of \$450, advised in your favors of the 1st and 2d inst.

You are charged \$4 26 discount thereon, also \$10 for the enclosed note. I send you herewith a package, your notes, containing \$1,000, for which we charge you \$995 in account.

Yours, &c.,

A. St. JOHN, per T. P. St. J.

P. S. As I hope to be home the last of this, or early next week, I will defer an answer about the Robertson arrangement, as there are several alterations I wish to suggest. I hope you have prepared, by signing yourself, and having Post sign, the balance of our D. B.'s, as we are using to good advantage those I brought. I wish to send down more immediately on my return.

T. P.

NEW YORK, Oct. 26, 1849.

C. P. DELAMATTER, ESQ., *Cashier*:

DEAR SIR:—Yours of the 25th inst., with a package, is received, and for which you have credit \$400. I charge you discount 99 cents.

Yours, &c.,

A. ST. JOHN, per T. P. St. J.

P. S. You have credit \$52 41, received from Wilkesbarre, from E. Lynch. M. A. B. is here, and will remain till Monday; Thompson is also here; he expected to send you some Jersey to-day, but has not been able to get it ready; will send it to-morrow or Monday at farthest.

LETTERS OF THOMAS P. ST. JOHN TO DELAMATTER.

You better send down the \$5,000 draft which Thompson sent on to you, in renewal of those due 22–25th Sep., with directions to A. St. John to sell or hypothecate the same, and as he can probably use it here to raise money on, until after the Fall redemptions are over, in case it should be needed. Thompson will send you up some Jersey money to-morrow, as he has gone for it to-day, and will soon send you some gold. I shall probably leave to-morrow night for home. Send the draft by to-morrow's mail. M. A. Bradley is here for a day or two, and we are very much pleased with him.

September 14, 1849.

I think the proxy prohibition has been repealed, but when I can't say. I think it was included in some "Omnibus Bill" which usually contains a great variety of matters; we have never had occasion to use any proxies, nor have I examined the question. I don't think I said that persons must hold stock thirty days to qualify them to vote, it was to hold stock that time to qualify them for directors. You need do nothing about the names of stockholders till I return. I usually stick up a list in the office about thirty days before election. You must not *publish them* at all. The notice for election must be published in one of the newspapers at least thirty days before the election—such is the law. The election is held, I believe, on the second Tuesday of November, which this year is 13th. I send you to-day \$500 in sov's, which you may as well pay out at \$4 85 or \$4 86, as they are mostly dragons.

I send up your "slop-shop duds" to-day by express.

Please hand my letter to Mrs. St. John as soon as convenient.

There is no hurry in getting the reports; the Auditor General never calls until December, just in time for the Legislature, and then selects four periods, three months apart, usually February, May, August, November. I will have Mann prepare in time, he can hand in his report at any day, as he keeps regular cash account,—the funds or drafts, or authority to draw, can be adjusted accordingly any day.

NEW YORK, October 23d, 1849.

C. P. DELAMATTER,

DEAR SIR:—I telegraphed you yesterday to know if you had sent anything. Thompson's redemptions have been large, and his funds small, and we are largely in advance to him, though he promises to put us in funds soon, he will also send you some more Jersey some time this week, in payment for the amount of your notes which have been used by the Jersey Bank. You must send forward all the funds you can get, and as fast as you get them. Hereafter, in all cases, adopt the rule of writing "acceptance waived" on all your time drafts, put it in plainly and directly on the same line on which you put the "days after sight," thus "ten days after sight, acceptance waived."

I hope to be home in a few days.

T. P.

If Emly calls before Thompson puts us in funds, you will have to do the best you can with him, as we cannot help you just now. You better write to Thompson about Emly, and have Thompson provide you some specie. You must make Webb put you in funds by the 28th, to pay the \$400 draft you gave him, as it is due 26–29th, tell him he must give you the cash, or what will be as near as may be, exchange the amount with you before that time. J. K. Sexton lives in Lodus, Wayne County, New York. Be careful to protest Jewell's note.

NEW YORK, *September 25th*, 1849.

C. P. DELAMATTER,

DEAR SIR:—Your two favors of the 23-24th were received to-day. Mr. Webb came in to-day, so no remark is necessary on that point. A. St. John will arrange the \$125 acceptance here, and pay it on taking a bond of indemnity of the parties here. I will bring paper, pens, blotting paper, pen holders, and blank sheets when I go home, which will be one or two weeks at least. We are rather close in consequence of Thompson's not remitting for his redemptions, which have been pretty free for some time back, but as he has been up to Indiana, which accounts for the delay, we look for remittances from him on Friday as he telegraphed to that effect; you must send down as often as you can; keep the pot boiling. Probably you better give Post the draft at thirty days' sight and waive acceptance, especially if they will promise positively to put you in funds, by or before they mature. You had better, in all cases where you can do so without objection, mark your drafts "acceptance waived," it saves us a great deal of trouble in hunting them up; as, if they are accepted, they are frequently put in bank and elsewhere, and we have to look them up as they are not presented to us for payment; whereas, if not accepted or rather waived, they must be presented here for payment. I hope you will go on, now that E. A. T. is supplied, in having our balance of \$10,000 signed by you and Post, and filled up by Halsey, and trimmed but not cut apart. I hope you have left the numbers from 10,500 to 11,000 blank, so that ours may be numbered with the vacant numbers, and then they will all be from 10,000 to 11,000 which will be an additional check.

T. P.

Notice is hereby given, that the annual election for directors of the Bank of Susquehanna County, will be held at the banking house in Montrose, on [Tuesday the 13th day of November next] October 9th, 1849, by order.

C. P. DELAMATTER, *Cashier*.

October 4, 1849.

P.S. I hope to be home this, or early next week; but for fear I may not, I send you form of notice, which have published in the "Democrat" of next week, and for four weeks. You need not have it inserted in the other paper. I am pretty certain that the day of election is on "Tuesday, the thirteenth," as is enclosed in brackets in the above notice. You better look at your digest and be certain, and make such alterations as may be necessary.

Copy the notice, and send it to Hempsted, as by my request, and tell him he may stick it in some corner, as it is merely a matter of form.

You will notice \$400 of the above is in 10's, and they are, undoubtedly, a part of the sum which Thompson pledged with the Jersey Bank, and which was positively agreed to be held, and not in any case to be used. There is foul play somewhere, and you better write to Thompson at once on the subject.

T. P.

Since writing this P.S., we have just taken \$400 more in 10's, evidently from the Jersey Bank, as it is in the original wrapper. What does it mean, or can Thompson know of it?

NEW YORK, *August 24th*, 1849.

C. P. DELAMATTER, Esq.

DEAR SIR:—Mr. Thompson has gone over to New Haven, and will be gone till early next week. He has paid three of the drafts, mostly in Jersey money, but which cannot be paid out here, and only used by hypothecation, if used at all. \$500 of this kind was sent you yesterday by A. St. John, which you can use in redemptions and making change, consequently you need not retain any other kind of foreign money on hand, but send down as often as you get a few hundred dollars together, as it will save using Jersey money here in taking care of your drafts and redemptions. Thompson is advised, by telegraph, that his western friends have sent him \$4,000, and will send more soon. All smooth here. I shall not be home till next week some time.

T. P. S.

SALE OF STOCK, 1st SEPTEMBER, 1837.

						<i>No. Shares.</i>	<i>Am't Paid.</i>
Franklin Lusk	-	-	-	-	-	10	\$50 00
David Post	-	-	-	-	-	2	10 00
James C. Biddle	-	-	-	-	-	20	100 00
S. Meylert	-	-	-	-	-	20	100 00
S. Meylert	-	-	-	-	-	20	100 00
George Walker	-	-	-	-	-	20	100 00
Allen Upson	C. L. W.	}	-	-	-	20	100 00
Allen Upson	C. L. W.		-	-	-	20	100 00
John Blowers	C. L. W.		-	-	-	20	100 00
John Blowers	C. L. W.		-	-	-	20	100 00
Franklin Lusk	-	-	-	-	-	10	50 00
William Jessup	-	-	-	-	-	50	250 00
Josiah Blackman	-	-	-	-	-	50	250 00
Daniel Searle	-	-	-	-	-	50	250 00
John Gilbert	-	-	-	-	-	3	15 00
S. Meylert	-	-	-	-	-	1	5 00
Leonard Searle	-	-	-	-	-	50	250 00
Jonathan C. Sherman	-	-	-	-	-	40	200 00
Isaac Porter	-	-	-	-	-	4	20 00
H. J. Webb	-	-	-	-	-	5	25 00
Rasselas Searle	-	-	-	-	-	30	150 00
Alfred Baldwin	-	-	-	-	-	1	5 00
Charles Avery	-	-	-	-	-	1	5 00
M. S. Wilson	-	-	-	-	-	10	50 00
Charles Beardsley	-	-	-	-	-	1	5 00
B. R. Lyons	-	-	-	-	-	50	250 00
J. Lyons	-	-	-	-	-	50	250 00
A. S. Barnum by his attorney, D. Searle	-	-	-	-	-	20	100 00
Asa Olmstead	"	"	-	-	-	20	100 00
P. Hines of Montrose,	"	"	-	-	-	50	250 00
A. Baldwin	"	"	-	-	-	50	250 00
Lucretia Loomis	"	"	-	-	-	10	50 00
Elisha Griffin by his attorney, L. Searle	-	-	-	-	-	10	50 00
Isaac Post	-	-	-	-	-	50	
Hyde Crocker by his attorney, Isaac Post	-	-	-	-	-	30	
Benj. S. Bentley	"	"	-	-	-	30	
Edmon T. Locke	"	"	-	-	-	30	
Sebury Crossman	"	"	-	-	-	30	
Moses S. Tyler	"	"	-	-	-	30	
Avery Frink	"	"	-	-	-	50	
William Dennis	"	"	-	-	-	30	
Thomas Pickering	"	"	-	-	-	30—260	1,580 00
William C. Ward	"	"	-	-	-	4	20 00
Skerman D. Phelps	"	"	-	-	-	20	100 00
C. L. Ward	"	"	-	-	-	50	
William C. Ward	"	C. L. Ward	-	-	-	46	
William J. Turrell	"	"	-	-	-	34	
Joseph Richards	"	"	-	-	-	20	
Sylvester Abel	"	"	-	-	-	10	
J. W. Chapman	"	"	-	-	-	20	
D. C. Porter	"	"	-	-	-	10	
Carried forward	-	-	-	-	-	1,203	

Brought forward	-	-	-	-	1,268	
J. W. Raynsford by his attorney, C. L. Ward	-	-	-	-	50	
J. C. Sherman	"	"	-	-	10—250	\$1,250 00
William L. Post	-	-	-	-	50	
S. S. Grover, by his attorney, William L. Post	-	-	-	-	50	
Philip Fraser	"	"	-	-	60—210	
S. F. Keeler	"	"	-	-	50	1,050 00
S. S. Mulford	-	-	-	-	40	
Joseph T. Gregory by his attorney, S. S. Mulford	-	-	-	-	40	
Cormack Cushman	"	"	-	-	40	
James C. Biddle	-	-	-	-	90	
Charles Tingley by his attorney, James C. Biddle	-	-	-	-	40	
Henry Diuker	"	"	-	-	50	
Charles Boardsley	"	"	-	-	20	
Henry J. Webb	"	"	-	-	20	
Charles Avery	"	"	-	-	20	
Ralph B. Little	"	"	-	-	20	
George Walker	"	"	-	-	40	
Benjamin Lathrop	"	"	-	-	10	
William Foster	"	"	-	-	10	
Spencer Hickox	"	"	-	-	2	
James W. Chapman	"	"	-	-	20	
					<u>2,000</u>	